

States, so that that committee might consider the report in connection with their activities.

The PRESIDING OFFICER. The Chair is informed that that cannot be done officially, but there is no reason why the report could not be sent to the committee of the House of Representatives informally.

Mr. KING. It occurred to me that perhaps the report might be transmitted to the other body for their information, inasmuch as a committee is there making an investigation, but if that may not be done within the rules, I shall not ask that it be done.

#### EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. VAN NUYS, from the Committee on the Judiciary, reported favorably the nomination of Edward G. Dunn, of Iowa, to be United States attorney for the northern district of Iowa.

The PRESIDING OFFICER (Mr. McKELLAR in the chair). The reports will be placed on the Executive Calendar. If there be no further reports of committees, the calendar is in order.

#### POSTMASTERS

The legislative clerk read sundry nominations of postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

#### IN THE ARMY

The legislative clerk read the nomination of Capt. George Stainback Deaderick for appointment to the Quartermaster Corps, by transfer, in the Regular Army.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### PROMOTIONS IN THE REGULAR ARMY

The legislative clerk read the nomination of James Lawrence to be major, Signal Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Robert Alwin Schow to be captain, Infantry.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Samuel Fayette Silver to be first lieutenant, Infantry.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Clifford Lore Miller to be chaplain with the rank of lieutenant colonel.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Tuesday, March 12, 1935, at 12 o'clock meridian.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate March 11 (legislative day of Mar. 4), 1935*

##### APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

Capt. George Stainback Deaderick, Quartermaster Corps.

##### PROMOTIONS IN THE REGULAR ARMY

Clifford Lore Miller to be chaplain with the rank of lieutenant colonel.

James Lawrence to be major, Signal Corps.

Robert Alwin Schow to be captain, Infantry.

Samuel Fayette Silver to be first lieutenant, Infantry.

#### POSTMASTERS

##### NEW YORK

McIntyre Fraser, Johnstown.

##### OKLAHOMA

Harry F. Craig, Boswell.

Bryan B. Terry, Broken Arrow.

Edwin B. Minich, Eldorado.

Frank S. DeWolfe, Guymon.

Charles H. Hayes, McLoud.

Samuel H. Freeman, Stratford.

Nell M. Dilks, Temple.

## HOUSE OF REPRESENTATIVES

MONDAY, MARCH 11, 1935

The House met at 12 o'clock noon.

Rev. Dr. L. L. Johnson, Baptist missionary to Maceio, Alagoas, Brazil, offered the following prayer:

O Lord, Thou hast been our dwelling place in all generations. Even before the mountains were brought forth, before Thou hadst created the earth and the world, from everlasting to everlasting, Thou art God. We look unto Thee, our Heavenly Father, with grateful hearts this morning, for the manifest mercy of Thy benevolent hand upon our Nation through all of its long history. We bless Thy name, our Father, that Thou didst guide the Pilgrim Fathers to these shores, that Thy hand was upon those of our fathers who founded this Republic on the sure foundation of justice and of love and of truth; and, our Father, we pray this morning that as Thou hast guided and blessed us in all of the hours of crisis which have faced our Nation, that Thou shalt still place Thy guiding hand upon those who rule in our Nation.

We pray, our Father, that Thou shalt bless those who sit within these walls, who counsel about the welfare of our country. We pray, dear Lord, that here intelligence and ambition may be consecrated to the services of our Nation and to the world. And may Thy blessing abide ever upon our great land, that the wonderful material wealth which Thou hast given us may be coined into character and into values moral and spiritual which shall bless humanity and honor Thee. And we ask it in Jesus' name. Amen.

The Journal of the proceedings of Saturday, March 9, 1935, was read and approved.

#### HOOR OF MEETING TOMORROW

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection?

Mr. FITZPATRICK. Mr. Speaker, I reserve the right to object. Can the gentleman inform us, or can the Speaker, when the Home Owners' Loan Corporation bill is going to be taken up again?

Mr. TAYLOR of Colorado. Tomorrow morning.

The SPEAKER. If this request is granted, it will be taken up tomorrow.

Mr. TAYLOR of Colorado. There will be a special order first, which will take a little time. Today the business is that of the so-called "pink slip" legislation, and then business in order from the Committee on the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. SNELL. Mr. Speaker, I reserve the right to object. Will there be anything else tomorrow after we finish the Home Owners' Loan Corporation?

Mr. TAYLOR of Colorado. Yes; if we have time, we will take up the agricultural appropriation bill.

Mr. BUCHANAN. Mr. Speaker, after we finish the H. O. L. C. an emergency deficiency appropriation bill will come up. In that bill are carried many deficiencies. The departments will be out of funds by the 15th. The bill carries

\$94,000,000 compensation for veterans, and \$60,000,000 seed loans for farmers. The bill is important not only from that standpoint, but from the standpoint of the exhaustion of funds in the different departments on several small items.

Mr. SNELL. Is it the program to continue that on Wednesday?

Mr. TAYLOR of Colorado. Yes.

Mr. SNELL. And take up the bonus bill on Thursday?

Mr. TAYLOR of Colorado. And I am going to ask to dispense with business in order on Calendar Wednesday.

The SPEAKER. Is there objection to the request of the gentleman from Colorado that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock a. m.?

There was no objection.

#### DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to dispense with business in order on Calendar Wednesday this week. We have a very full week in front of us.

The SPEAKER. Is there objection?

There was no objection.

#### THE "PINK SLIP" REBELLION

Mr. CLAIBORNE. Mr. Speaker, I ask unanimous consent to extend in the RECORD the remarks made by my colleague Judge BELL, with respect to the "pink slip" legislation.

The SPEAKER. Is there objection?

There was no objection.

Mr. CLAIBORNE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the radio address of my colleague from Missouri, Hon. C. JASPER BELL, from Washington, D. C., March 4, 1935, as follows:

Ladies and gentlemen, I have been wondering as I stood here waiting before this microphone just how you would feel if you were awakened some morning after a sleepless night worrying about your business and found that the paper at your breakfast table carried a story emblazoned on its front page showing the state of your business affairs?

No doubt it would be a great shock to you. Your first impulse would be to give vent to your anger. There are thousands upon thousands of substantial business and professional men, widows, and citizens in almost every walk of life who would feel just as you would on that occasion. They would feel that neither the Government nor any individual has the right to hold a court of inquisition on them to learn and punish their private affairs, except insofar as the public welfare is concerned.

Yet according to section 55 (b) of the Revenue Act of 1934 and a similar section of the National Industrial Recovery Act passed by Congress in 1933, the United States Government, in effect, may soon be doing this very thing.

Listen carefully while I read you a few lines from the United States statutes on the revenue act:

"Every person required to file an income-tax return shall cause to be filed with his return, upon a form prescribed by the Commissioner, a correct statement of the following items: (1) Name and address; (2) total gross income; (3) total deductions; (4) net income; (5) total credits against net income for purposes of tax, and (6) tax payable."

It is now that we come to the most detrimental part of the act which continues and relates that:

"Such statements or copies thereof shall, as soon as practicable be made available to the public examination in such manner as the Commissioner may determine."

That in substance is the "pink slip" clause against which the many substantial people of the Nation are rebelling.

This legislation was crowded through the last session of Congress during those stormy hectic days toward the end of the session when everyone recognized the importance of passing the Revenue Act as an emergency measure.

The leaders in the Senate were afraid to push the fight against this rider providing for publicity because they were afraid a filibuster would defeat the entire Revenue Act. Therefore it was enacted and sent to conference between the Finance Committee of the Senate and the Ways and Means Committee of the House for a final report. The members of the conferring committee from the House objected to the rider, but in the interest of the bill's greater importance otherwise, they voted to report it favorably for action. It was adopted a short time later by resolutions in both Houses.

A big fight is brewing now in the Senate on the bill. It is believed that a majority of the House Members are in favor of repeal of the publicity laws.

When I submitted my bill for repeal as a companion bill to that filed in the Senate by Senator COPELAND, of New York, it appeared that we might be fighting for a lost cause. The Senate's attitude was in doubt, and there appeared to be no crystallization of thought on the House side. At the time of the filing of my bill

the newspapers carried stories and editorials throughout the Nation, characterizing the income-tax publicity laws as enemies of the public welfare.

They cited that the only State that has tried income-tax publicity was Wisconsin, and that the Wisconsin Tax Commission published a report in which it opposed the promiscuous use of income-tax information for private purposes. The report pointed out that this publicity was used almost exclusively for private and personal interests.

The commission's report concluded: "These files contain the record of the life and register the pulse of the personal and private business affairs of our own taxpayers and should be accessible only when public welfare is concerned."

Political and economical observers feel that if publication of income-tax matters was so unsuccessful in Wisconsin, it is apparent it would be an unsuccessful Federal law.

Commenting on the legislation now pending before Congress, looking to the repeal of this iniquitous measure, the New York Times, in an editorial on February 11, says: "It is to be hoped that this Congress will undo the mistakes of its predecessor. It is hardly necessary to recapitulate the invincible arguments against a requirement that assumes every income-tax payer to be a crook."

The New York Herald Tribune, on February 12, said: "The measure should be repealed. It is a stupid thing. There is not one thing that can be said in its favor. The 'pink slip' was not sponsored by the President. It was not called for in the Democratic platform."

There are many reasons for repeal, expressed daily to me in the numerous letters that have flooded my office since I filed my bill.

The endorsement of the Copeland-Bell bill has been Nation-wide. It has been endorsed by merchants' associations, lawyers, dentists, doctors, chambers of commerce throughout the land, and citizens from all walks of life.

I was very much gratified last week-end to learn that a subcommittee of the Ways and Means Committee of the House had determined to act immediately on the bill in the face of a threat from certain Senators that they would submit a bill as a rider to some other emergency measure of the President's program which would be more drastic and severe than the present law, if that were possible.

The action of the Ways and Means Committee was fearless and courageous. It came after I had talked on numerous occasions with various Members and leaders of the House of Representatives.

It is my understanding now that the bill will reach the floor of the House this week. At that time a vote may be taken and I am sure that the House Membership will show the courage of their convictions in voting the measure through for submission to the Senate for a final vote.

It is my understanding tonight that the bill which will be reported favorably to the House for action will be one which will restore the income-tax publicity laws to their 1926 status.

My bill and that of Senator Copeland were both designed to serve that purpose. In fact, they were the only bills before Congress which would totally accomplish the purpose effectively, yet leave still available all necessary information to proper Government officials.

Under the Revenue Act of 1926 the committees of the House and Senate, State officials, and Federal tax officials were guaranteed access to the income-tax records. Other releasing of this information was to be done under rules prescribed by the Secretary of the Treasury and approved by the President of the United States under Executive order. That gave the people ample protection.

There were several distinct reasons, all objections to the present laws, which caused me to file my bill for repeal. They were:

First. The "pink slip" publicity will not aid tax collections, as the Wisconsin report shows. After all, that should be the sole purpose of such a law.

Second. Small business men, professional men, and small corporate enterprises will be compelled to give competitors the information which will allow only the large and the strong to survive. One of my prime considerations was for the small business man (and God knows what a struggle most of them have had in the last 4 years), whose business livelihood might be jeopardized by the revelation of his business success or failure to unscrupulous and predatory competitors.

Third. The "pink slip" will give just enough publicity to be misleading.

Fourth. The "pink slip" sucker list will provide the best possible encouragement and assistance to unscrupulous salesmen, stock peddlers, "blue sky" promoters, and blackmailers who may not otherwise obtain the precise information released in this manner.

Fifth. The cost of making public this information will be tremendous.

Sixth. The "pink slip" spy or snooper will become a gossiping menace in every community.

Seventh. The "pink slip" tax expert will pursue every taxpayer in the land to get a commission for his pretended and illegal help.

Eighth. Kidnapers and racketeers will use the "pink slip" list as a directory for their activities. They will have a certified list of prospects given them by the Government.

From these reasons you can see that my action in filing my repeal measure was logical.

Promiscuous publicity of income-tax return information under the manner prescribed by the present laws would be a vicious thing.



It would serve no useful purpose and would be an unwarranted intrusion by the Government into the private affairs of the people.

Publicity clauses have been attached on several occasions to the income-tax laws, but they have always been met by a storm of protest from the right-thinking people of our country, and have been promptly repealed at the next session of Congress.

If you want these laws repealed before March 15, when they become effective, write or wire your Congressman and your Senators. They are your servants and representatives.

Let them know what you want.

They should join in this rebellion to repeal the "pink slip" laws.

#### RESOLUTION OF THE ARKANSAS SENATE

Mr. PARKS. Mr. Speaker, I ask unanimous consent to insert in the RECORD a resolution of the Arkansas Senate with reference to the services of the distinguished leader in the Senate, Hon. JOSEPH T. ROBINSON.

The SPEAKER. Is there objection?

There was no objection.

Mr. PARKS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution of the Arkansas Senate with reference to the services of the distinguished leader of the Senate, Hon. JOSEPH T. ROBINSON:

#### Senate Resolution 14

Whereas the Congress of the United States now has pending many measures of vital importance, sponsored by the President of the United States, for the purpose of bettering social and economic conditions and for rehabilitating the people of this Nation; and

Whereas efforts have been and are now being made to embarrass the President and those who seek to uphold him: Therefore be it

*Resolved*, That we express our supreme confidence in Franklin D. Roosevelt, our President, and Joe T. ROBINSON, the Democratic leader of the United States Senate, and a distinguished son of the State of Arkansas, and extend to them our grateful and heartfelt appreciation for their untiring efforts in enacting legislation and administering the affairs of our National Government in the best interests of all humanity; be it therefore

*Resolved*, That we deplore the efforts and activities of all those who for selfish interests seek to obstruct and destroy the humanitarian program of our great President and the efforts of our beloved leader, Senator JOE T. ROBINSON.

Ivo W. Gilbert, Levine, Livingston, W. F. Norrell, Armit Taylor, Clyde T. Ellis, Ovid T. Switzer, R. L. Crutchfield, Dillon, Hall, Bill Ward of Lee, Lake, Johnson, Harris, C. B. Gregg, H. B. Hardy, Cardwell, Alfred Featherston, John L. Wilson, Roy Milum, E. C. Cathings, J. L. Shaver, Tom Marlin, A. J. Cole, H. M. Barney.

March 7, 1935, resolution read and adopted.

E. HARRIS, Secretary.

#### OREGON APPLES

Mr. EKWALL. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. EKWALL. Mr. Speaker, my Oregon colleagues and I have had delivered to the cloak room on the Republican and Democratic sides four boxes each of Oregon apples, which we want the Members here to enjoy. [Applause.] They come from the district of my colleague, Governor PIERCE, the Second Oregon District, from the Hood River Valley, about 60 miles from my home city of Portland. They are not the best apples we grow there, because it is a little late in the season for apples. Earlier next session we shall have sent here from Oregon some of the most beautiful apples grown in the world. Nature has so combined the elements and the climate in the Hood River Valley, that we believe the most delicious apples in the world are grown there. The city of Hood River, at the head of that valley, is located on the now world-famed Columbia River Highway, and it nestles at the foot of the majestic Mt. Hood, whose peaks, forever snow-covered, stand like sentinels thousands of feet in the air. The transcontinental airplanes, flying down the awe-inspiring Columbia River Gorge, pass over this beautiful Hood River Valley, disclosing a scene of such beauty that once seen, it is never forgotten. From time to time we are also going to have a supply of Oregon walnuts, filberts, and prunes sent here for distribution. When I refer to Oregon prunes, I mean prunes that, once tasted, babies cry for and adults will walk many miles to procure. Then also we shall endeavor to distribute sometime the world-renowned Medford, Oreg., pears, grown in the First Oregon District, represented here by my colleague, Mr. MORR. We want you all to enjoy these apples

at this time, and to think of Oregon and the citizens of Oregon and of the beautiful Hood River Valley, and to know that you will always be welcome there at any time.

Mr. COCHRAN. And is it not true that the original trees on which these apples grow—

Mr. EKWALL. Yes; they undoubtedly came from Missouri. [Laughter and applause.]

#### THE FRAZIER-LEMKE BILL

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a resolution of both houses of the Legislature of the State of Michigan relative to the Frazier-Lemke bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAPES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution adopted by the Legislature of the State of Michigan:

#### House Concurrent Resolution 36

A concurrent resolution providing for the appointment of a committee of two members of the house of representatives to be appointed by the speaker of the house and one member of the senate to be appointed by the president of the senate to accompany a delegation of farmers to Washington, D. C.

Whereas there has been presented to the Congress of the United States a bill known as the "Frazier-Lemke Act", and this measure is now pending before the Senate and the House of Representatives of the Congress of the United States; and

Whereas this bill, if enacted into law, will relieve the farmers and agriculturists of this country by refinancing their debts at a low rate of interest; and

Whereas a company of nearly 300 representative farmers of the State of Michigan are making a trip to Washington on March 9 for the purpose of urging the passage of this important legislation: Therefore be it

*Resolved by the house of representatives (the senate concurring)*, That the speaker of the house of representatives be instructed to appoint two members of the house of representatives and the president of the senate be requested to appoint one senator to this large delegation of farmers to Washington and in behalf of this legislature urge the passage of the so-called "Frazier-Lemke Act"; and be it further

*Resolved*, That copies of this resolution be presented by this committee of representatives and senator to the President of the United States and members of the Michigan delegation in the House of Representatives and Senate at Washington.

Lansing, Mich., March 8, 1935.

NYLES F. GRAY,

Clerk of the House of Representatives.

FRED I. CHASE,

Secretary of the Senate.

Mr. Speaker, I should like to add that the Republican Members of the House of Representatives from Michigan met this morning in the committee room of the Committee on Interstate and Foreign Commerce with the delegation of farmers from Michigan and the committee of the legislature of the State, referred to in the above resolution and who are now in Washington, and exchanged views relative to the Frazier-Lemke bill, and my information is that the delegation plans to meet with the Democratic Members of the House from the State sometime during the afternoon.

#### WAR DEPARTMENT APPROPRIATION BILL—1936

Mr. PARKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5913) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. PARKS]? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BLANTON, McMILLAN, SNYDER, DOCKWEILER, BOLTON, and POWERS.

#### "PINK SLIP" PROVISION

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague, Mr. TREADWAY, be allowed to extend his own remarks in the RECORD on the so-called "pink slip" amendment.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.



Mr. TREADWAY. Mr. Speaker, the so-called "pink slip", based upon the amendment inserted in the Revenue Act of 1934, has created great public interest. So far as the section of Massachusetts which I represent is concerned, there appears to be a unanimous desire for its repeal. Explanations have been made as to how this requirement of law came into existence. It was not inserted in the Revenue Act of 1934 on its own merits, but as a necessary compromise in order to secure senatorial action upon the whole bill. As one of the conferees, I happen to have known all about the matter, but naturally am not in a position to make a statement based upon what transpired in the conference between the two branches. It is, however, perfectly proper that I should state my individual opinion.

I never have favored greater publicity of income-tax returns than was provided by the law from 1926 until this year. That law offered ample opportunity for those entitled to information about the payment of income taxes to secure that information. Beyond that is simply a gratification of curiosity seekers or worse. It can serve no possible good purpose. Congress, through its proper committees or any special committee, the Governors of the States, or the stockholders in a corporation can under suitable rules and regulations obtain all data to which they may rightfully be entitled. The individual taxpayer should have protection of law from snoopers, blackmailers, and others with evil intent who wish the information for ulterior purposes.

I trust that the "pink slip" requirement will be repealed by prompt action on the part of Congress before the time comes for the information to be made public.

#### DEFLATING THE DEBT STRUCTURE AS A MEANS TOWARD ECONOMIC RECOVERY

Mr. TOBEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting an address made over the radio by Hon. THEODORE CHRISTIANSON, of Minnesota, on February 28.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. TOBEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address by the Honorable THEODORE CHRISTIANSON, of Minnesota, over the network of the National Broadcasting Co., on Tuesday, February 26, 1935:

At this time the people of the country are watching the news dispatches from Washington with great interest and much concern. They feel that history is in the making, and that decisions are being made which will shape the destiny of this country for a long time to come. Two years ago their mood was one of confidence; they felt that the Nation would soon emerge from the depression and that happy days would come again. That mood has given place to one of doubt, and even of despair, as the long months have dragged along without any improvement in the fundamental economic situation.

Two schools of thought seem to be developing in this country, both of which contemplate an abandonment of the underlying principles upon which America was built. Those who follow one school wish to retain the capitalistic order, but to regiment it still further, and to direct and control the entire mechanism of American business and industry from Washington. Those who follow the other school would have the Government not only direct the economic machine but own it, acquiring it either piecemeal by nationalizing one industry after the other, or all at once by wrecking capitalism and building upon its ruins a communistic state.

Whether we accept one of these alternatives or the other, whether we move with Rome or Moscow as our eventual goal, the end-result, so far as the average citizen is concerned, will be much the same. He will lose that individual freedom of choice and action which is the most precious part of the American heritage, and become the subject of the most ruthless and relentless of all tyrants—the all-embracing and all-powerful state.

The record of the last 2 years does not present by any means a uniform pattern. It is not easy to say toward which of these two goals we are moving. Sometimes the captain has turned to the right, and sometimes to the left; and as a result the ship has followed a zig-zag course. The N. R. A., and some of the policies of the Triple A, especially some of the developments of the Triple A now being proposed, point toward fascism. The T. V. A. and pending measures seemingly designed to put important private industries competing with T. V. A. out of business, point toward the eventual supplanting of individual enterprise by State monopoly. But, whatever the course toward which the skipper steers the craft, we are heading for uncharted waters. We are moving in

a direction in which this Nation has never moved in the past, and in which no nation ever moved without coming to grief eventually.

Is it necessary, in order to accomplish economic recovery, to follow either of these two courses? In fact, can recovery be accomplished by any policy whether capitalistic or communistic, that is designed to put the individual in a strait-jacket? Are not individual initiative and self-direction needed to release those human forces which must be let loose once more if we are to have economic well-being?

As a Republican I believe that we should avoid both of the alternatives between which the Democratic party has been shifting during the last 2 years, and move straight ahead toward the goal which the fathers set a century and a half ago. I do not believe in regimentation. I believe that competition is not only the best regulator of business, but the only regulator that will regulate in the long run. The trouble with the artificial devices is that they are so complicated as to baffle and defeat those entrusted with their administration, and in the end to bedevil the situation instead of clarifying and improving it.

I am not one of those who would justify every policy my party has pursued in the past. I live in the Middle West, where the spirit of political independence is strong and where Republicans frequently dissent and insurgent. The Republican party is big enough to take it on the chin and to admit that it has made mistakes; and I would say that its biggest mistake is not that it neglected to regiment the Nation, as it is being regimented today, but that it failed to enforce that competition which is the only effective regulator of business in a capitalistic society.

I am not now referring especially to "trust busting", although "trust busting" as practiced by the first Roosevelt is certainly better than trust coddling under N. R. A. codes. The most effective way to reestablish competition is to withdraw and remove the special privileges which have made some men and some interests so powerful that no one can compete with them. Remove privilege and you destroy what monopoly feeds upon. That was one of the concepts upon which this country was built; and if it had been retained as a vital element in the national policy, the wealth of America would not have flowed into the hands of a few. There would have been a wider diffusion of ownership and control; there would be no monopoly, for no individual, or group of individuals, would exercise enough control to create a monopoly. It is my conviction that the way out of our present situation is not to concentrate still further the wealth of the country by nationalizing it, or by turning its control over to the politicians, for that involves, so far as the people are concerned, only an exchange of masters; but to destroy privilege and to leave the wealth, as it is being produced, in the hands of those who produce it. That does not mean that all income should go to those who work with their hands, for those who direct industry are producers no less than those who man machines. It does not mean either that capital should not have its rewards; it only means that the rewards of capital should be commensurate with its contribution.

The failure to adjust the wages of capital, which is interest, with the wages of labor, is responsible for the present depression, as it has been responsible for all depressions in the past. Let me make what I mean clear by using a few figures: The total income of the American people in 1929 was approximately \$85,000,000,000. The interest burden was \$10,000,000,000, leaving \$75,000,000,000 net buying power in the hands of the very numerous group that owes money and can spend only that part of its income which is left after the creditor has been satisfied.

In 1933 the national income was only \$39,000,000,000; but the debtor group still carried an interest load of \$10,000,000,000, and there was left for spending after debt charges were satisfied only \$29,000,000,000. It was the drop in buying power from \$75,000,000,000 to \$29,000,000,000—a drop of almost two-thirds—in 4 years that put ten or twelve million men out of work. It is not strange that we have unemployment. It is strange that the economic machine has not entirely stopped functioning.

Men could be just as prosperous on a low-price level as on a high one, if fixed charges were reduced accordingly. Therefore the national policy should have been to reduce fixed charges in the same proportion that the national income was reduced. If that had been done, the depression would have been checked and a return to economic normality begun almost immediately.

Instead of following that course, the administration tried to restore the balance between debts and income by raising prices. By adopting that expedient it ran counter to the economic forces, which all tended to make prices lower. Instead of reestablishing normality, the Government's policy intensified abnormality. The price of the cotton required to produce a pair of overalls increased a few cents, but the price of a pair of overalls advanced a dollar. The price of a pound of wheat went up 1 cent, but the price of a loaf of bread 5 cents. A processing tax raised the price of hogs, but while hogs went up to 8 cents pork chops went to 40; and the pork packers, charging the tax back to the farmer and on to the consumer at the same time, were enabled to declare unprecedented dividends.

The wise provisions of the Sherman antitrust law, enacted by a Republican Congress, have been set aside; and monopoly, drafting its own codes and making its own laws, is riding roughshod over the American people. The industrial masters, about whom demagogues like to prate, and to curb whom was the avowed purpose of the new deal, have been permitted to write their own ticket. Doing business on a cost-plus basis, it makes no differ-



ence to them that labor costs are increased by higher wages and shorter hours, when the rules are so changed that price competition is eliminated. They can well afford to give the workingman another dollar, if in turn they may take \$2 away from him as a consumer.

The number of unemployed today is greater than a year ago. There is a reason. When prices advance faster than consumers' incomes, there is a reduction in buying power, and when buying power shinks employment ebbs. If the present drift toward higher prices and increased unemployment continues, the springs of business will eventually dry up. The P. W. A., the C. W. A., and all the pump-priming devices to which resort has been, or will be made, will not save the country. One of my Democratic colleagues, in an interval of frankness, said the other day: "You cannot get water by priming a pump in a dry well." Economic well-being is dependent on private industry, and there can be no revival of private industry unless and until consumers' incomes overtake consumers' prices.

The Democratic Party, following policies which are more and more being questioned by the country as a whole and are being challenged even by the Democrats themselves, is headed for a crisis. The administration is finding it increasingly difficult to steer its craft between the Scylla of CARTER GLASS and the Charybdis of HUEY LONG. The Republican Party is confronted with an opportunity and a challenge. It can win in 1936, but it cannot win by merely reciting the record of its past achievements. It cannot win by standing on a platform of negation. It must offer to the country a program adequate for the present needs of the people.

Rejecting the doctrine of scarcity, and returning to the doctrine of abundance and a balanced buying power as the key to prosperity, let us recognize the profit motive as the essential drive spring of the economic machine, but lay down a formula for a fairer division of the product between those who work, manage, and take risks and those who merely hold the mortgage on the economic plant. That involves the procedure which is bringing England back to prosperity and which has already brought Australia to within 20 percent of normality—a procedure which lifts the debt burden by reducing interest rates.

Let us stop putting the Government in competition with its own citizens and be done with socialism in all its forms and disguises, remembering that socialism never has worked and never will work, and cannot even be given a fair trial without first scrapping democracy.

Let us stop going into debt for futile experiments, dismantle as soon as possible the alphabetical assortment of emergency machinery, provide adequate old-age pensions, and establish a workable system of unemployment insurance. Pending recovery let us make decent provision for the drought stricken and the unemployed, taking relief out of politics, so that a man may vote any ticket he pleases and still continue to eat.

I believe that if we do these things the American people will be well served.

#### STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL, 1936

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. OLIVER]? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. OLIVER, McMILLAN, and BACON.

#### SEED LOANS

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CARLSON. Mr. Speaker, I want to call your attention to two matters that I believe are of primary importance at this time for the temporary relief of the farmer. On February 7 we passed in this body a seed-loan bill, which has also passed the Senate and which was signed by the President; but it was specified that this appropriation was to come out of the \$4,800,000,000 emergency relief appropriation. The farmers of this country need their seed now. I trust that the Appropriations Committee, which I understand has bills under consideration, will bring them out as soon as possible in order to aid the farmers for spring seeding.

Another bill that I believe should be brought to the floor of the House and passed that will be of great benefit to the

farmers is the Farm Credit Act, which was passed by the Senate with the Wheeler amendment, which reduces interest on Federal land-bank loans 1 percent. I would urge that this bill be brought before this body as soon as possible. It is estimated that this will cost our Government \$25,000,000 annually for a 3-year period, at which time the amendment expires. I appreciate that the opposition to this amendment is that it is a drain upon our Treasury, and that the Federal land bank should be a self-sustaining organization, but I have noticed that we do not hesitate to vote funds for other purposes, and, in my opinion, agriculture is in a most distressing situation. You read glowing reports on the increase in farm prices and the greatly improved conditions of the farmer, and I do not want to be accused of minimizing the assistance that has been given the farmer, but let us analyze the facts.

The farmers of this country are carrying a mortgage load of \$11,000,000,000.

The interest charge on this debt is between five hundred and five hundred and fifty million dollars a year. With a farm income of less than \$6,000,000,000 in 1934, the farmer cannot carry this load.

While every farmer appreciates the increase in the price of commodities that he has to sell, we must remember that in the larger portion of our farming area we had an extensive drought last year, which gives them high prices with nothing to sell. In other words, they are buying feed for their livestock at greatly increased prices. In this great drought territory the A. A. A. was not of assistance as a curtailment of production, but it did operate as a program of crop insurance. The farmers are using this money to pay interest, taxes, and living expenses, but have no funds with which to buy commodities that would bring about a business recovery. The Associated Press reports on January 5 state that agriculture prices are now at a pre-war parity price, and it also states that the commodities the farmers have to buy have gone up to 127 percent. With no crops to sell and with interest and tax payments to meet, and an increased cost of commodities, the farmer in the drought area is in a more distressing situation than a year ago; and to make the situation gloomier, there are vast areas of our farming sections that have less subsoil moisture than a year ago. In fact, we have counties in my district where as high as 50 percent of the farmers are on relief at this time. In Kansas we have 12,986 Federal land-bank loans, which total \$49,587,700, and 15,712 Land Bank Commissioner loans, totaling \$33,580,770, or we have a total of 28,698 loans, which total \$82,168,400 of Federal land-bank loans. Reducing the interest rate 1 percent will be a saving to our State of \$831,684 annually. In my own congressional district we have 3,542 Federal land-bank loans, which total \$12,421,900, and 4,302 Land Bank Commissioner loans, which total \$8,786,500, or 7,844 loans, totaling \$21,208,400, and 1 percent reduction on this interest rate would save us \$212,084 annually. At the present time the National Government owns \$816,000,000 of the farm land-bank bonds out of a total issue of \$1,832,000,000, and on some of these I understand the Government is making as much as 1 percent profit.

In my opinion, agriculture will have to be refinanced sooner or later, either by the Frazier-Lemke refinance measure or some similar method.

The SPEAKER. The time of the gentleman from Kansas [Mr. CARLSON] has expired.

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes out of the regular order.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Speaker, when I last called the attention of this House to the feed and seed situation of the Northwest I doubt if anybody paid very much attention to what I said, but I made the prediction that unless the rules and regulations of the department handling relief were changed or amended, serious loss would result in the Northwestern States. Now, that has come to pass, Mr. Speaker, and because of these rules and regulations the feed has not



gotten out to the livestock, and we have lost a great number of them.

Instead of merely asking for seed for which no appropriation has yet been made, we will have to ask this Congress for an appropriation of a great many million dollars for horsepower in order to put in our crops. I want to notify you, Mr. Speaker, that I have been informed that the drought of 29 months in our State has been broken by a good share of rain and snow, and unless our farmers can get the seed and horsepower now, it will be too late again, as it was when I appealed for some help on the relief of the livestock 2 months ago.

After much agitation, the rules and regulations have been changed in some particulars, such as the granting of \$10 of feed per horse. The damage, however, has been done, and horses have perished for lack of feed in the very sight of United States Government hay. Now that the rains and snow have come again in the Northwest, it will not be long before this Government hay will be hauled to the dump ground. The Government loss will be stupendous, and the loss to the farmers, in starved horses and cattle, will amount to millions of dollars.

If seed is not furnished promptly thousands of farmers will be unable to sow a crop and will be compelled to remain on relief for another year. The farmers abhor relief; they do not want to ask the Government for aid and would not have done so if there was any possible way under the sun to avoid doing so. They want to get off of relief at the earliest possible moment. Can we assist them in their desire to get off the relief rolls by failing to provide seed now when conditions look favorable? Hesitation and delay now will result in further disaster. One good crop in the Northwest will put the farmers on their feet as far as relief is concerned, and an even break in finance and price will make the farmer a power again and of value again to the business of the Nation. Every class, every manufacturer, and every laborer in the United States will be benefited by the return of buying power in the hands of the farmer. Let this Congress do the big thing, the right thing, and do it now.

Mr. MOTT. Will the gentleman yield?

Mr. BURDICK. I yield.

Mr. MOTT. The gentleman from Kansas [Mr. CARLSON] stated a moment ago that it was prescribed that the seed-loan money should come out of the work-relief bill. Has the gentleman any idea who prescribed that? Neither the House nor the Senate prescribed it. Does the gentleman know why it is being held up?

Mr. BURDICK. My answer to the gentleman is that I have Resolution 119, now pending before the Committee on Rules. It reads as follows:

That the Speaker of the House be, and he is hereby, authorized and directed to appoint a committee of five or more Members as a special committee on emergency relief legislation.

I am satisfied if that were done it would be a clearing house for all of the complaints against feed and seed and human relief, and give the Members of Congress a chance to at least think about some other matters of legislation. There is too much bureau control and not enough congressional action.

Mr. BACON. Will the gentleman yield?

Mr. BURDICK. I yield.

Mr. BACON. I will say that the Appropriations Committee tomorrow will report out the first deficiency bill, which contains a very large item for loans for seed purposes. [Applause.]

Mr. BURDICK. But in my last minute I want to say that the seed situation has been misunderstood by the House. I have authentic reports from disinterested parties, who do not belong to any of our political parties, who are in the service of the State, to the effect that we do need at least \$20,000,000 for seed and feed in the State of North Dakota alone. I recall that the gentleman from Minnesota [Mr. CHRISTIANSON] said the appropriation of \$60,000,000 was not sufficient. I do not believe anyone paid very much attention to what he said. Before this Congress adjourns this spring, in a very few days from now you will be called upon

to make further appropriations for feed and seed for the Northwestern States.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. BOILEAU. The gentleman from New York stated that the deficiency bill which is soon to be reported out will carry aid for the farmers. Does that mean the \$60,000,000 that was provided by legislation recently enacted?

Mr. BACON. The gentleman is correct.

Mr. BOILEAU. I would remind the gentleman that those loans are supposed to be loans made on a good security, whereas the farmers referred to by the gentleman from North Dakota will be unable to take advantage of that legislation and it will be necessary to pass additional legislation to aid this group of farmers.

Mr. BACON. That is just what that legislation is supposed to do.

Mr. BOILEAU. I may say to the gentleman that as I understand the bill we passed sometime ago it was not relief, but provided for commercial loans, and they are supposed to be loans covered by good security. The gentleman is not referring to a relief measure.

Mr. BACON. I think the gentleman is correct.

Mr. BURDICK. Two-thirds of the farmers in North Dakota, Minnesota, South Dakota, Wisconsin, and the rest of this territory cannot qualify under the seed loan bill because their property is already mortgaged.

[Here the gavel fell.]

The SPEAKER. Under the previous order of the House, the Chair recognizes the gentleman from Minnesota [Mr. KNUTSON] for 30 minutes.

Mr. KNUTSON. Mr. Speaker, ever since the enactment of the Hawley-Smoot tariff bill in 1930 the Democrats have denounced it as a thing of evil without any redeeming qualities. Indeed, during the campaigns of 1930 and 1932 the Democrats promised the American people that one of the first things that they would do upon taking control would be to repeal the Hawley-Smoot bill in its entirety.

The Democrats secured control of the House 4 years ago, and since that time they have had an overwhelming majority in the House. In fact, their majorities in both the House and the Senate are the greatest ever enjoyed by any political party in all the history of the Republic; and yet they have not made a single move to repeal the present Republican tariff law, which they have so relentlessly denounced both on the hustings and here on the floor of Congress. Why have they not fulfilled their promise? The American people would like to know.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. Not at this time.

Mr. RANKIN. The gentleman asked a question; I want to answer it.

Mr. KNUTSON. Mr. Speaker, I decline to yield at the present time.

Mr. RANKIN. The gentleman declines to yield for an answer when he has asked a question?

Mr. KNUTSON. I will yield a little later.

On March 6 the beloved Chairman of the Ways and Means Committee [Mr. DOUGHTON], who is my warm, personal friend, devoted considerably more than an hour to a denunciation of the Hawley-Smoot bill. Let me ask him now, Why has he not long since taken steps to repeal this law, if it is so iniquitous? He has had 4 years to do it in.

The gentleman's speech throughout was a defense of the reciprocal trade policy being followed by the Roosevelt administration, and he took some little time to tell us of the alleged blessings that will flow upon us as a result of the various trade agreements already negotiated by the Roosevelt administration and the agreements that are yet to come. He had something to say about the Cuban Treaty, and inserted in the RECORD a news item purporting to have originated in Houlton, Maine, which reads as follows:

HOULTON, MAINE, October 16, 1934.—An unprecedented demand from Cuba for Maine potatoes brought encouragement today to the distressed planters in Aroostook County, Maine's vase potato empire.



With their product bringing only 50 cents a barrel, less than the cost of raising, and 15 percent of the crop snowed under by last Friday's storm, the outlook heretofore this season has been gloomy indeed.

But the central potato inspection office announced today that a Cuban tariff on Canadian potatoes and a prospective duty on American exports, to become effective November 1, has resulted in a sudden demand for 80,000 sacks of Maine "spuds."

Sixty-two carloads are now being loaded on board a vessel at Searsport, and buyers now in the county have orders for 100 carloads more.

The rush of export business prompted Commissioner of Agriculture Frank P. Washburn to increase the size of the inspection staff here. Washburn said the demand was the outstanding export business for Aroostook County in the past few years, and expressed the hope that it might be retained under the new tariff arrangements.

Last year Cuba bought most of its potatoes in Canada. While the temporary advantage which American producers now enjoy as a result of the tariff on Canadian exports will be reduced after November 1, the duty on shipments from the United States is expected to be less than that on exports from the Dominion.

The gentleman from Ohio [Mr. HARLAN] inserted the same item in a speech which he delivered in this House on March 1 against the Hawley-Smoot tariff bill, so I assume that the Democrats consider this particular story one of their strong talking points in support of the trade agreement that we entered into with Cuba last fall.

Within the past week I have received three letters from potato growers living in Aroostook County, Maine, which would indicate that the Cuban trade pact has proven anything but a blessing to the potato growers of Aroostook County, and I now desire to read to the House the contents of these communications.

CARIBOU, MAINE, March 6, 1935.

DEAR MR. KNUTSON: I am writing you relative to the reciprocal trade policy of this administration.

First of all, let me tell you who I am and how I am being affected by these trade pacts. I am a farmer doing business at Caribou, Aroostook County, Maine. My people were pioneers, coming before one mile of road was built in this county. I operate two large and up-to-date potato farms and usually plant from 200 to 250 acres in potatoes, about one-half usually certified seed. My crop is shipped and marketed wherever possible.

For the growing season of 1934 my crop cost in actual expenditure, not counting my own time and efforts, \$1.67½ per 165-pound barrel for seed, fertilizer, taxes, insurance, trucking, and storage, and this does not take into account rot or any damage that may develop. Our county agent has a list of farmers' expense accounts which vary from \$1.50 per barrel production cost where little hired labor is required, to \$1.90 per barrel where all work is performed by hired labor. So much for costs.

Now, with more potatoes produced here than can possibly be marketed at any price, our people with no other occupation are imploring Congress to pass laws limiting acreages and quotas, and at the same time asking the Government for money with which to keep these potato towns functioning and to plant new, smaller-sized crops, it certainly does not look reasonable to let more potatoes come into our markets. We are not asking unreasonable things—just a regulation to where the industry can eke out its own meager existence.

As for the Cuban trade: It has never been of any particular value to Aroostook County nor to any producing section. We propose to let down the bars to them to bring in their potatoes while New Brunswick and Prince Edward Island supply them their seed and most of their table potatoes in seasons when they buy table potatoes. The Canadian transportation system and their banking arrangement make it possible for Canada to do the Cuban business in spite of American or Cuban tariffs and they do it while we would get in United States markets what they have to export, Canada none.

As for an agreement to let Canada ship in her seed potatoes at a lower duty, it would be just another impossible stumbling block for us. For the past decade we have so many potatoes that we cannot market all of them at any price and for most of the time we have been getting but a small fraction of their cost.

If a period of reduced entry were granted on Canadian seed potatoes their bulk would be rushed in here and storehouses filled at New York, Boston, Port Newark, Charleston, Savannah, Jacksonville, and Gulf ports. We have had this condition before and it creates an impossible position for us.

We know just about what will happen if Canadian potatoes are permitted to come in again even if here for a period. It will mean that all her potatoes will come in only and the mere fact that those big storage houses full of potatoes are there to everybody's knowledge means that we can't sell any seed at any price. Nobody benefits but the importer. Most all these cargoes in past years were consigned shipments.

I am asking that you use any and all means of fair persuasion to prevent the lowering of the tariff on either Cuban or Canadian potatoes. We can do without Cuba's seed trade as we always have and as for the United States potatoes going into Canada, it is a very negligible amount and that amount will go tariff or no tariff.

I have known Prince Edward Island potatoes to be delivered in Jacksonville and Daytona, Fla., for 6 cents for 167-pound bag in shipload, whereas our rate was 72½ cents hundredweight to Jacksonville and 89½ cents hundredweight to Daytona. This offsets a tremendous duty; at the same time takes our market and takes from our transportation companies the revenue so sorely needed. I have official Canadian production-cost figures of 49½ cents per barrel where all labor was performed by the grower's family, 71 cents where help was employed. United States recorded Canadian figures higher but purposely fixed that way.

Very truly yours,

E. H. DOYLE.

WASHBURN, MAINE, March 5, 1935.

DEAR CONGRESSMAN KNUTSON: My attention has been called to a speech made by Congressman HARLAN, of Ohio, in the House of Representatives as printed in the CONGRESSIONAL RECORD of Friday, March 1, 1935, in which Congressman HARLAN stated that since the reciprocal trade agreement made with Cuba in the fall of 1934, that Maine potatoes had materially benefited thereby and were selling for a much higher price than heretofore.

I desire to deny the statement of Congressman HARLAN and call to your attention the fact that Maine potatoes this season have been selling for the lowest price in the history of the industry.

The prevailing market price to the growers of Maine during the fall of 1934 was from 40 to 50 cents per barrel of 165 pounds net, a barrel containing 11 pecks, or 2¼ bushels. Since January 1, 1935, the market has gradually declined, and at the present time the prevailing market price to the grower in Maine is 30 cents per barrel bulk per 165 pounds net.

The newspaper clipping quoted by Congressman HARLAN from the Houlton Times, Houlton, Maine, on October 25, 1934, held out hopes to the Maine grower that he would be materially benefited by the Cuban reciprocal-trade agreement and that such agreement would open up a new market for Maine potatoes in Cuba. This prophecy has not proved to be true.

If a reciprocal-trade agreement is made with Canada and the duty on Canadian potatoes is lowered, it will mean absolute disaster to the Maine potato industry, with no chance of the industry recovering in the future for the reason that with an already depressed market further importations of foreign potatoes would mean additional competition for the industry.

Transportation costs by water from Canadian ports, such as Prince Edward Island and New Brunswick in foreign ships, are much lower than railroad rates or combination rail and water rates from loading points in Aroostook County to the seaport terminal markets of the United States.

I desire further to state, Congressman KNUTSON, that the average cost of producing potatoes in Maine is from \$1.50 to \$1.75 per barrel of 165 pounds. Therefore, you can readily understand that the prevailing price received of from 30 to 40 cents per barrel by the Maine grower means a tremendous loss to the grower and the industry as a whole.

Market prices for Maine potatoes received by growers so far this season, as quoted herein, may be verified through the Bureau of Economics of the United States Department of Agriculture.

Yours very truly,

ANDREW J. BECK,  
President Aroostook County Council.

CARIBOU, MAINE, March 5, 1935.

DEAR CONGRESSMAN KNUTSON: With reference to a speech made by Congressman HARLAN in the House of Representatives on March 1 last, in which he quoted an article printed in the Houlton Times, of Houlton Maine, relative to benefits to Maine potato growers under trade agreement with Cuba, I desire to state that this newspaper item was simply commenting on hopes of the Cuban market. No benefits have been received under the Cuban agreement, and Maine potatoes have been selling throughout the entire season at the lowest price in the history of the industry.

These facts can be borne out by the daily Government market report. Any trade agreement or lowering of price tariff rates will result in further depressing the market which is already oversupplied with potatoes grown in the United States.

Yours very truly,

E. W. RUSS.

May I say for the benefit of the Members that Messrs. Doyle and Russ are two of the biggest potato growers in Aroostook County, and that between them they produce in excess of 50,000 barrels annually. Mr. Beck is president of the Aroostook County Council, which has a membership of 3,000 potato growers. Let me call your particular attention to Mr. Beck's letter, wherein he states that during the fall of 1934 the prevailing market price to the potato growers of Maine was from 40 cents to 50 cents per barrel, of 165 pounds net, and that since January 1, last, the market has gradually declined until the present time when the prevailing market price to the potato grower in Maine is 30 cents per barrel, or 11 cents per bushel, which, of course, is far, far below cost of production.

The experience of the potato growers of Maine has been the same as the experience of the dairyman in Minnesota,



Wisconsin, Illinois, Michigan, and New York. The price of butter, whilst seemingly satisfactory, is also much below cost of production when we take into consideration the fact that as a result of the drought and the operation of the A. A. A. the price of feed and hay has increased from 100 to 300 percent.

I want my Democratic friends to get this: Since this munificent trade pact was entered into, or since January 3, the market for Maine potatoes has gradually declined until at the present time the prevailing market price to the grower in Maine is 30 cents per barrel—get that—30 cents per barrel, and the barrel costs 15 cents; so the growers get 15 cents for 165 pounds of potatoes. Let that soak in!

My good friend, Mr. STEFAN, of Nebraska, has handed me a letter and a telegram, dealing with butter imports that I desire to insert at this point:

CITY OF SCHUTLER, NEBR., March 4, 1935.

HON. KARL STEFAN,  
House of Representatives, Washington, D. C.

DEAR KARL: The firm of Holub & Nash, grocers in Richland, have referred the enclosed telegram to me and request that I communicate with you with the thought that perhaps we might unite to combat the importation of farm products which so greatly reduces our farmers' income.

It would seem that the taxpayers and builders of our Nation should receive some consideration from our Government, who seem to favor foreign farmers over their own countrymen.

I am sure your efforts are very much appreciated by your many friends in all agricultural States and should be willing to assist in combatting this unfair competition.

Assuring you that we are most grateful for your assistance in fighting our fight in Washington, I am,

Yours fraternally,

OTTO ZUELOW, Mayor.

[Western Union]

OMAHA, NEBR., February 26, 1935.

HOLUB & NASH,  
Richland, Nebr.

GENTLEMEN: It seems there is no end to the severe decline we are experiencing in this butter market.

Talked to New York today and they gave us to understand there will be better than 30,000 boxes of foreign butter received in this country this week, which butter is costing only 31½ cents delivered New York, duty paid. This being the case, it is quite apparent to us that this market will go much lower and it is imperative that we reduce our payment prices accordingly, therefore we positively insist that you reduce your price to 31 cents. We firmly believe this 31-cent price is only temporary and within another day or two we will see another decline, so please give us your fullest cooperation and handle accordingly.

Thank you.

JERPE COMMISSION CO., INC.

Mr. Speaker, at this point let me read several letters from Minnesota which speak for themselves:

SWANVILLE, MINN., March 4, 1935.

DEAR MR. KNUTSON: I understand that there is considerable butter being shipped in from Europe, New Zealand, etc., and no doubt this is the cause of the butter market being on the downward trend again. Will you not kindly advise me if this is not the case? And would it not be possible for you to give me the exact figures of butter pounds being shipped in every month? Are there any American goods being exchanged for this butter?

I know you are in favor of an embargo on dairy products. Will you not kindly give me your viewpoint on it again? The present administration is not in favor of it, I know; they would sooner cut production at home and pay for it, and then turn right around and flood the home market with foreign dairy products. I fail to see any sense there.

I would like to have your answer for publication in our local papers.

Very respectfully yours,

ERVIN MIELKE,  
Secretary-Treasurer Swanville Cooperative Creamery.

NEW ULM, MINN., March 5, 1935.

DEAR MR. KNUTSON: Because this is the first of a number of years that the farmer has a chance to make some money, we ask that you do what you can to curtail or eliminate entirely importations of foreign meats, butter, and eggs.

Feed costs are high, and unless prices of the above commodities show farmers a profit above cost of feeding, they will be in the same position as before.

The butter market is on a downward trend because of heavy importations for which the seller in the foreign market gets 18 cents net a pound, and now desiccated and canned (frozen) eggs are being offered from China.

We are not egg breakers or driers, so that it would have no immediate effect on our business, but it is unjust to allow these commodities to come in and compete with domestic supplies.

We ask that you kindly support H. R. 5802, introduced by Congressman LEA of California, which calls for an excise tax on imported Chinese egg products. You are a member of the Ways and Means Committee and so will have a deep interest in the matter.

Thanking you, we remain,

Yours truly,

STORK BROS.,  
By A. H. STORK.

NATIONAL ASSOCIATION OF LOCAL CREAMERIES,

St. Paul, Minn., March 6, 1935.

DEAR MR. KNUTSON: Heavy importations of butter are almost entirely responsible for a drop of approximately 7 cents per pound in butter prices in the past few weeks, entailing a heavy loss upon the industry and blighting the dairy farmer's hope of once again obtaining a price for his butterfat which will enable him to get the cost of producing it.

This organization and the 250,000 dairy farmers which it represents are not unmindful of the dangers of all prices which are beyond the consumer's ability to pay and would not have complained had only enough foreign butter been imported to hold prices at a fair level. But the depreciated value of our dollar has offset the value of the 14 cents per pound tariff to the point where foreign butter has come in in sufficient quantities to push down the price of the domestic products beyond the point of reasonableness either to consumer or producer. The situation is becoming more intolerable daily, and steps will have to be taken soon to restore the protective features of the tariff or our dairy farmers will be confronted with a situation wherein they will be producing a minimum amount of butterfat to be sold at an extremely low price.

The farmer who produces the product from which butter is made has derived absolutely no direct benefit from any of the proposals designed to assist agriculture, but, on the contrary, has, until comparatively recently, suffered from the working of the Adjustment Act. It is unfair to ask that he be further penalized by working under a tariff which no longer affords protection because the value of our money has been depreciated.

Very truly yours,

W. A. GORDON, Secretary.

LAND O'LAKES CREAMERIES, INC.,  
Minneapolis, Minn., March 6, 1935.

DEAR MR. KNUTSON: We received your telegram asking for information in regard to butter importations. Mr. Brandt will not be back in the office until Saturday morning so we hasten to answer your inquiry.

It is true that importations of New Zealand butter has had a very depressing effect on the butter markets of New York, Boston, and Philadelphia. New Zealand is now producing grass butter which they are willing to sell at around 18 cents a pound shipping point, plus our duty of 14 cents and 2 cents a pound freight charges, making the butter worth about 34 cents delivered New York.

Immense shipments have arrived recently, more than the markets could absorb along with the fresh butter that we ship to eastern markets. This gave the buyers a chance to sell the market short and purchase western butter at ridiculously low prices, forcing the importers to take losses in the event that they had to sell, but large quantities of it have been placed in storage in New York to be withheld from the market in hopes that prices will react.

It is too late now to cry about imported butter and "lock the door after the horse is stolen"; we foresaw this situation last December when the duty should have been raised to prohibit the importation of fresh, grass-made butter from the Southern Hemisphere. Our farmers are up in arms as they cannot produce butterfat at these low prices and compete with this cheap New Zealand butter even after the duty is paid. Practically all of the butter-producing farmers are short of feed, especially right now when they need every bit of help they can be given to carry them through until grass time. Due to the shortage of butter we possibly could have maintained a 36-cent butter market which would have given the farmers 40 cents a pound butterfat, and on that basis they could have bought a little feed to maintain their herds, but now thousands of them cannot afford to buy feed and are going on Government relief.

If the duty could be raised immediately to shut out any further importations, it would help some, but any raise in duty a few weeks hence will be of no value because by that time our Southern States will be in the producing season and our own markets will be below the imported market.

We do not know what you have in mind in regard to stopping butter importations, but Congress and the administration have been very lax in permitting a situation like this to arise and disrupt our entire dairy-marketing program from which we will not recover this year.

Very truly yours,

LAND O'LAKES CREAMERIES, INC.,  
H. F. MEYER, Director of Sales.

OGILVIE, MINN., March 6, 1935.

DEAR MR. KNUTSON: Please do not think I am trying to be meddlesome, but I am going to ask you a question.

Hasn't Congress the power to assist us dairymen in maintaining the price where it will at least give us cost of production on butterfat and eggs? It seems very strange to many of us Minnesota



dairymen that we only had a glimpse of 40-cent butterfat; it seemed only long enough for the speculator to get rid of his holdings.

The production of butterfat is the lowest in years and the amount held in storage is unusually small. On the basis of production and the amount in cold storage, we should be getting at least 45 cents a pound. You have shown that you understand the dairyman's problem, and I am sure you will agree with me that we are losing money right now with feed and hay 200 and 300 percent higher than in normal times.

Is it true that the United States Navy buys its butter from Denmark?

Why are potatoes only 40 cents a hundred? If something is out of joint, I wish you would look into it and see what you can do to straighten it out. We raise as nice a potato as any State in the Union and we should at least be entitled to cost of production.

Yours very truly,

CHRIST DENZER.

In his remarks Chairman DOUGHTON repeatedly spoke of the necessity for increasing our foreign commerce. My good friend DOUGHTON must know that all foreign commerce is based upon two premises: Price and necessity. For any product to sell upon the open market of the world such product must be priced to meet the highly competitive prices of the world market. No country is going to buy from us because they love us. They will only buy from us because they must have the things that we produce, and because we can offer more attractive prices than competing nations.

There was a time when American wheat dominated the world market and we annually exported hundreds of millions of bushels; but as the wheat fields of Canada, Argentina, and Russia became developed, we gradually lost the world market for our wheat because these countries were able to undersell us in that market, and our wheat farmers were compelled to take up dairying and other lines of agriculture.

We buy from other countries commodities that we cannot produce in our own country, such as coffee, tea, tropical fruits, rubber, certain minerals, and silks, none of which are produced in this country. Why do we buy? Because we must have these products. According to the United States Tariff Commission we purchased from Brazil in 1932 goods and commodities in the sum of \$82,838,605, and in return we sold that country commodities valued at \$28,546,250. The bulk of our purchases from Brazil consisted of coffee. Now Brazil is a very poor customer of ours. We buy from her 300 percent more than she buys from us. Why do not we buy our coffee from some other country? Simply because we like Brazilian coffee and the price is the more attractive. The same reason holds good with the Republic of Colombia, from which country we bought \$60,845,508 worth of commodities in 1932, while we sold to her only \$10,496,985. Seventy-six and four-tenths percent of our purchases from Colombia consisted of coffee and 18.2 percent of crude petroleum. Under the Democratic theory, Colombia should buy as much from us as we do from her, but such, unfortunately, is not the case. We do not buy from Brazil and Colombia four and five times as much as they buy from us simply because we love them. We buy from them because we prefer their products and we like their prices and those are the only reasons that foreign countries buy from each other. They like our automobiles; they like our machinery; they like our shoes, our clothing, and other articles, because American products are superior in quality and our prices more attractive. And we are going to hold that market only so long as we can meet and overcome all competition.

The gentleman from North Carolina had much to say with reference to cotton and the necessity for maintaining the foreign market for the cotton surplus produced in this country. I am in thorough sympathy with that proposition; but let me remind the gentleman that a year ago it was testified before our committee that the British Empire is bringing 12,000,000 acres of cotton into production, which will make Great Britain wholly independent of us in the matter of cotton. Only the other day the press announced that Japan is getting ready to put a big acreage into cotton in Manchukuo.

To me that can only mean that our cotton farmer will ultimately have to go into some other activity, just as our

wheat farmer had to do. In this connection, I desire to call to the attention of my good friend from North Carolina, Mr. DOUGHTON, an article which appeared in this month's Country Gentleman, wherein it was stated that a new variety of sugarcane has been developed which can be grown in all parts of the Cotton Belt. That should help to absorb the surplus cotton acreage in that area.

Mr. WOODRUFF. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. WOODRUFF. Has the gentleman any information that Brazil has approximately 200,000,000 acres of land that is available for the cultivation of cotton?

Mr. KNUTSON. It was so testified before our committee about a year ago, if the gentleman recalls.

We imported last year from Cuba 1,901,752 short tons of sugar. As you all know, the National City Bank and the Chase National Bank, together with a few other large New York financial interests, control the sugar industry in Cuba. When you Democrats reduced the tariff on sugar a year ago by Presidential proclamation and again last fall, through the reciprocal-trade agreement with Cuba, from 2 cents to 0.9 cent per pound, you in effect made an outright gift to the international banking crowd in New York of \$41,838,544 annually. Why do you not point to that with pride? That certainly is one of the outstanding accomplishments of this administration.

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. BOYLAN. Why refer to the banking crowd in New York? The gentleman is an intelligent man, the editor of a very strong paper in the West, and he knows that the stock of these banks is held all over the United States. The gentleman would like to infer that New York City controls what is done.

Mr. KNUTSON. The National City Bank in New York is not in the sugar business; it is the National City Co. There is a distinction without a difference.

Mr. BOYLAN. Does not the gentleman know that the stock of the company is held all over the United States, and not particularly in New York City? The gentleman knows that as an editor, does he not?

Mr. KNUTSON. I understand the stock is widely distributed.

I have already told you what you did for, or rather to, the potato growers in Aroostock County, Maine, as well as to those who raise potatoes in Minnesota, Montana, and Idaho.

Understand, I am not accusing the Democratic Party of double-dealing. The American people must have known that they would get free trade when you got into power; but, judging from letters that I am receiving from back home, I am led to believe that the American people are getting fed up on the idea of playing Santa Claus to the rest of the world.

As you know, Minnesota is one of the foremost dairying States in the Union. Before we went off the gold standard the American dollar was worth a hundred cents, but today the dollar is worth only 59 cents abroad; and, as a result, the 14-cent tariff on butter given under the Republican Hawley-Smoot Act has been reduced to 8¼ cents per pound, and that is the reason that we are having such tremendous importations of butter, condensed and powdered milk, cheese, dried and powdered eggs, potatoes, vegetables, canned beef, hides, wool, rye, and other grains, manganese, pulp and print paper, safety matches, coal, and hundreds and hundreds of other things that we formerly produced on the farms and in our factories for ourselves in the good old days when the Republicans were in power, but in this day of internationalism we go on the theory that the more we buy from other countries and the less we produce at home the more prosperous and happy we will be.

The Washington News for Wednesday, March 6, carried a story on the front page, the title of which reads: "Federal relief rolls at all-time peak of 22,000,000", and then went on to tell of the terrific cost in caring for these 22,000,000 people on the dole. Do you wonder that our unemployment is as great or greater than it has ever been in the history of the country when you stop to figure the enormous purchases



that we are making from other countries of commodities that we can and should produce at home and thus make work for the American unemployed?

Mr. Speaker, at this point I desire to insert a few comparative tariff rates as contained in the Democratic Underwood Act of 1913 and the Republican Hawley-Smoot Act of 1930.

Mr. Speaker, I desire to insert a comparative statement of rates between the Underwood Free Trade Act and the Hawley-Smoot Act of 1930. I ask unanimous consent that I may be allowed to do so.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The matter referred to follows:

Commodity	Republican Hawley-Smoot Act (1930)	Democratic Underwood Act (1913)
Rye	15 cents per bushel	Free.
Manganese	1 cent per pound	Do.
Beef and veal, fresh, chilled, or frozen	6 cents per pound	Do.
Sheep, lambs, goats	\$3 a head	Do.
Mutton and goat meat, fresh, chilled, or frozen	5 cents per pound	10 percent free.
Bacon and hams	3½ cents per pound	Free.
Meats, fresh, chilled, frozen, prepared, or preserved, n. s. p. f.	6 cents per pound but not less than 20 percent.	Do.
Whole milk:		
Fresh	6½ cents per gallon	Do.
Sour	do.	Do.
Cream, fresh or sour	56.6 cents per gallon	Do.
Butter	14 cents per pound	2½ cents per pound.
Oleomargarine and other butter substitutes	do.	Do.
Cheese and substitutes therefor	7 cents per pound but not less than 35 percent.	20 percent.
Egg albumen:		
Dried	27 cents per pound	3 cents per pound.
Frozen or otherwise prepared or preserved n. s. p. f.	11 cents per pound	1 cent per pound.
Egg yolk:		
Dried	27 cents per pound	10 percent.
Frozen or otherwise prepared or preserved, n. s. p. f.	11 cents per pound	Do.
Eggs of poultry, in the shell	10 cents per dozen	Free.
Whole eggs:		
Dried	27 cents per pound	10 cents per pound.
Frozen or otherwise prepared or preserved n. s. p. f.	11 cents per pound	2 cents per pound.

<sup>1</sup> These rates were made by Executive order by President Hoover on July 24, 1931.

Mr. KNUTSON. I would like to ask my good friend from North Carolina which of the above protective rates he would reduce or repeal? Does he feel that the protection now given to butter is excessive, in view of the fact that between January 1 and March 5, of this year, over 4,000,000 pounds of butter were imported, as against 1,253,392 pounds for the entire year of 1934? This has already depressed the domestic price 7 cents, which comes out of the pockets of our dairy-men.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. DOUGHTON. In view of the gentleman's interest in the subject and what I know is his desire to state facts correctly, will he not put in the RECORD a table showing comparative prices of farm products—corn, wheat, tobacco, cotton, butter, and all other farm products—showing the price as it was when this administration came in at the end of the Hoover administration and what they are today under the present administration?

Mr. KNUTSON. Yes; I shall be glad to do that. Let me say to my good friend, however, that while it is true the price of butter is twice as high as it was 18 months ago, it is also true that it costs us three times more to produce butter at the present time because feed and hay have advanced 300 percent in price [applause], and we are not making as much money now as we did formerly under the old price.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. ARNOLD. Does not the gentleman recognize the fact that the increased price of feed inures to the benefit of the farmers?

Mr. KNUTSON. No; not under present conditions, because we are compelled to buy feed throughout all the drought area.

Mr. ARNOLD. Who is getting the benefit of the increased prices of feed if it is not the farmer?

Mr. KNUTSON. Ordinarily the gentleman perhaps would be right, but not under present conditions; for we must also take into consideration the fact that we have reduced our herds and production as a result of the feed shortage, in many instances by 60 and 70 percent, yet the price of feed keeps going up.

Mr. REED of New York. Mr. Speaker, if the gentleman will permit, I would remind him that we are importing corn at the present time.

Mr. KNUTSON. Yes; we are importing considerable corn at the present time, may I say to my good friend.

Would Mr. DOUGHTON reduce the tariff rate on frozen and powdered eggs, in view of the imports that are now coming in from China?

Would he be in favor of reducing the 15-cent tax per bushel on rye, in face of the 13,000,000 bushels of rye that we imported in 1933 from Canada and Europe, which importations depressed the domestic price 40 cents per bushel, causing the loss of many millions to the American rye grower?

Would my good friend from North Carolina be in favor of reducing the existing tariff on powdered and dried milk when we are already importing large quantities?

Mr. Speaker, I have a letter here which the gentleman from Michigan [Mr. WOODRUFF] received from the manufacturer of dried-milk products in Michigan, in which he calls attention to the fact that they were asked to quote on four cars for delivery in March and April, and they quoted a price of 15 cents. In a few days they received a reply that a shipload of dried and powdered milk had arrived in New York from Holland and they were quoting a price of 13½ cents. They had to meet the Dutch price because of the contracts they had with their farmers. In this letter he shows the loss they are taking by reason of the fact they were compelled to meet that price.

The letter is as follows:

NORTHLAND DAIRY CO.,  
Ewart, Mich., February 21, 1935.

HON. ROY O. WOODRUFF,

House of Representatives, Washington, D. C.

DEAR MR. WOODRUFF: A good Congressman should be informed concerning conditions which may be brought to his attention for official action—we surely wish to keep you informed.

For years we have sold much dry milk to a large user on the Atlantic seaboard. We recently were asked to quote on four cars for March and April, and we quoted 15 cents delivered. These people shop around, as becomes a good buyer; we were advised that they were quoted on domestic milk from 14½ cents (one manufacturer only) to 18½ cents delivered. The 14½ cents was the lowest, ours was second at 15 cents, and the rest ranged from 16 cents to 18½ cents.

Well, what happened? A cargo of dry milk from Holland came, on which they quoted 13¼ cents. The Dutch milk is just as good quality as domestic and, of course, the 13¼ cents was the good buy. However, they called us over the phone and advised us of the situation and said that they had determined to offer us what we might care to take at 13½ cents delivered. We took three cars at 13½ cents.

Now, it will not be possible for us to break even at 13½ cents, but in order to continue buying from the farmers and to keep our output going (we cannot let it pile up), we accepted and will take our loss some way, hoping, of course, to run into better markets later in the season.

This all means that domestic milk will suffer in price (and the price isn't too high to the farmer today), because of foreign milk. To compete with these foreign producers, the American farmer must take less for his milk. Milk bought on a butterfat basis at 40 cents spells prosperity to the dairy interests; when below that figure the farmer must use red ink. Now, what is the remedy? Raise the tariff. Put it where our Dutch friends cannot get in where it will force our farmer under at least 40 cents.

If our dairymen could have a 40-cent price for the next 10 years, they would be a happy and modestly prosperous bunch. A love of country and loyalty would follow, and these sentiments must return if we are to be relieved of the welfare and dole necessities.

To buy new tools, make necessary improvements, spend for other things required by a content and home-loving people, the American farmer must be given a market for that which he produces; must be favored over the foreign field where the living scale isn't what we must have for our folks.



Another thing, brother, that International Harvester situation should be investigated. There isn't any reason why these people should have such a monopoly on farming tools and our farmers made to pay such ridiculous prices.

Guess this is enough misery to bring to you for one February day.

Sincerely,

GEORGE A. GLERUM.

Would my good friend the gentleman from North Carolina [Mr. DOUGHTON] be in favor of further reducing the tariff on pig iron when we are already importing large quantities from Europe and, as a result of such importations, thousands of steel workers in Pennsylvania, Ohio, Indiana, Illinois, and Minnesota are out of work?

It will come as a shock to the gentleman from North Carolina [Mr. DOUGHTON] to learn that we are importing large quantities of anthracite coal from Great Britain, which is absolutely indispensable at this time, when there are 11,000,000 American miners out of work and walking the streets. As a loyal American, I am sure that my good friend from North Carolina deplures that we are annually importing millions of barrels of crude oil from South America, more particularly at this time when the oil producers of Texas, Louisiana, and Oklahoma are experiencing great difficulty in marketing their oil products at a price which allows them to break even.

Mr. STACK. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Pennsylvania.

Mr. STACK. I would like to get some information as to who put those 11,000,000 men out of work.

Mr. KNUTSON. Who put them out of work?

Mr. STACK. Yes.

Mr. KNUTSON. The depression put them out of work.

Mr. STACK. Who started the depression?

Mr. KNUTSON. Why, Woodrow Wilson, when he kept us out of war back in 1917.

Mr. STACK. I think Herbert Hoover had something to do with the matter, too.

Mr. KNUTSON. It started under Wilson, and it is being finished under Roosevelt.

Mr. MOTT. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Oregon.

Mr. MOTT. Does the gentleman know of any Democrat who is in favor of lowering the duty on any product raised in his own State?

Mr. KNUTSON. I have not heard anyone advocate such a policy.

In order to justify his Brazilian trade agreement Secretary Hull recently issued a statement to the effect that there were only 354 miners engaged in mining manganese ore in 1929 when, as a matter of fact, we then had about 800 miners employed on the Cuyuna Range in Minnesota alone. According to the United States Bureau of Mines the total value of domestic manganese and manganiferous ores produced in 1929 was \$4,886,823; more than half of this amount representing wages. Allowing \$1,000 per man, this alone meant the employment of 2,440 miners in that particular line, so I would advise the Secretary of State to secure his information from more reliable sources in the future.

We have, in Minnesota, large manganese deposits and before the depression these manganese mines contributed to the school fund of our State several hundred thousand dollars annually in taxes. Today they are closed down because they cannot compete with the peon and forced labor of Cuba, Brazil, and Russia. As a result, these miners and their families are obliged to subsist upon public charity because the Roosevelt administration has failed to take their interests into consideration in the negotiation of foreign-trade pacts. I might say, in passing, that manganese is absolutely essential to our national defense, and yet the War Department was not notified when the treaty with Brazil, which reduced the tariff on manganese by 50 percent, was negotiated, and yet they talk about teamwork. Why was not the War Department consulted?

Mr. MILLER. Will the gentleman yield?

Mr. KNUTSON. I yield to my Democratic friend from Arkansas.

Mr. MILLER. I am at a loss to understand where the Secretary got his information. I live within 60 miles of the manganese district in Arkansas and I personally know more than 300 men are steadily employed in those mines. This employment has ranged all the way from 300 to 800 or 900 every year, according to the demand. I may say that the Brazilian trade treaty has done more to cripple the manganese industry in Arkansas than all other conditions combined.

Mr. KNUTSON. I am glad to have that information. I may suggest to the Secretary of State that hereafter he get his information from more reliable sources.

Mr. SHORT. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Missouri.

Mr. SHORT. Does the gentleman know that there is a company in Arizona that has spent some \$5,000,000 to produce manganese, and since this reciprocal tariff with Brazil has gone into effect they have been forced to close down all of their operations and lose their investment?

Mr. KNUTSON. How many men were thrown out of work?

Mr. SHORT. Several thousand.

Mr. MILLER. I was wondering if the United States Steel Corporation did not furnish some of this information in reference to the number of men employed in the manganese industry?

Mr. KNUTSON. I think that is where the Secretary of State got his information, because the United States Steel Corporation owns the manganese deposits in Brazil.

Mr. MONAGHAN. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Montana.

Mr. MONAGHAN. Does the gentleman know that at the present moment in the cities of Phillipsburg and Butte, Mont., there are 400 men employed in this industry alone?

Mr. KNUTSON. And how many before?

Mr. MONAGHAN. That was during the low peak of production.

Mr. KNUTSON. How many men were employed when the demand was supplied from domestic sources?

Mr. MONAGHAN. It would be well up in the thousands. I do not have the exact figures.

Mr. KNUTSON. I thank the gentleman for his contribution.

Mr. HOEPEL. Will the gentleman yield?

Mr. KNUTSON. I yield to my Democratic friend from California.

Mr. HOEPEL. Does the gentleman know that approximately 675,000 American miners and others in allied industries are unemployed because we do not have a sufficient tariff rate on copper?

Mr. KNUTSON. I assumed that fact was known to everyone in this House.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. The Chairman of the Ways and Means Committee requested the gentleman to place in the Record a statement of comparative prices of agricultural products at this time, and I believe before March 4, 1933. Will the gentleman also place in the Record the statement that if the Democrats claim credit for these higher prices then they must also accept responsibility for the drought?

Mr. KNUTSON. The gentleman is absolutely right.

Mr. SHORT. Is it not also true that oil and lumber are being imported today from Soviet Russia?

Mr. KNUTSON. Oh, we are importing everything.

[Here the gavel fell.]

Mr. SNELL. Mr. Speaker, I ask unanimous consent that the gentleman may have 10 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.



Mr. SHORT. If more of these proposed reciprocal tariff-trade treaties are consummated, particularly with Mexico and several other countries, it will not only paralyze but destroy the great mining industry in southwest Missouri, southeastern Kansas, and northeastern Oklahoma, which produce two-thirds of the lead and zinc of the United States.

Mr. KNUTSON. There is no doubt about that.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. CONNERY. Does not the gentleman think that if we could pass in this House the provision which the Committee on Labor wrote into the 30-hour-week bill 2 years ago, that whenever the Secretary of the Treasury finds that the total landed cost of any article or commodity imported into the United States is less than the cost of production of a similar article in this country, such article or commodity shall be barred, would settle our whole tariff situation?

Mr. KNUTSON. Let me ask the gentleman a question. Does the gentleman know of any other country in the world that is foolish enough to permit articles to be imported into their country and undersell the domestic product?

Mr. CONNERY. No; I do not.

Mr. KNUTSON. I do not either, and it does not happen in this country when the Republicans are in power.

Mr. PITTENGER. The gentleman, I understand, intended to discuss the print-paper and match industries.

Mr. KNUTSON. And I shall do so at this point by inserting a letter from William J. Ward, Jr., which came to hand a day or two ago. The letter follows:

MARCH 8, 1935.

HON. HAROLD KNUTSON,

*House of Representatives, Washington, D. C.*

DEAR MR. KNUTSON: Knowing your interest in the fight of the small fellow to stay in business and our immediate need for relief, I am taking advantage of this occasion to point out the burden that has been placed upon the small paper mills who are not self-contained; that is, those who are unfortunate enough to have to buy all their raw materials.

In the first place, the present administration, as well as all politicians in general, very meekly step aside and keep quiet on any question pertaining to rebuking the publishers, who form the opinion of the American public by their mighty organ, the daily newspapers. Taking this statement as an undeniable truth, we find that our Congress and the Senate have been intimidated by threat of the publishers to oppose their reelection to the extent of refraining from the placing of a duty upon the importation of newsprint and the constituents of newsprint, with the result that what was once a 100-percent American industry is now in the throes of a dying gasp.

Perfectly cognizant of this fact, those Members, elected to represent and protect the industry of the American people, fail to recognize the destructive influence upon the remaining grades of manufactured paper. The six grades of paper in practically the same category as newsprint have to be sold at a price based upon that of newsprint. The reason for this is simple—if there is too much of a spread in the price the ultimate user elects from the point of economy to use newsprint as a substitute, thereby killing any market for the grades, such as posters, manillas, B publication, etc.

The N. R. A. and the code authorities of the groundwood division are perfectly aware of this situation and in their earnest endeavor to protect American labor and capital have graciously permitted a price filed under these grades of 20 percent below cost, excluding any interest on bonded indebtedness. Again in their effort to protect the small fellow they have allowed the most advantageously situated mills from a standpoint of cheap wood, power, and labor and equipped with the latest and most efficient machinery to set the price and then have the other less fortunate mills sell at this price which naturally is far below their actual manufacturing costs. On top of this they have raised not only the wages of labor to an alarming degree but also the price on all materials entering the manufacture of paper, such as coal, Four-drinier wires, felts, sulphites, soda, clay, alum, size, starch, color, etc., with the net result, to us at least, that not one single grade that we manufactured showed a profit, and our operating sheet shows a loss equal to \$11.00 per ton on our entire output.

Many of the mills who manufacture grades akin to our own are abandoning them as rapidly as possible and are attempting to establish themselves in other and higher grades such as those under the supervision of the book and writing division. This is causing a highly unpleasant situation as it heightens the competition in a field already overcrowded. How this can result in anything other than a further demoralization of markets and a general bankrupt condition to the smaller manufacturers whose operating capital is speedily diminishing, I cannot see.

The only logical answer is to make the publishers who are solely dependent upon the paper industry carry part of this burden in the way of an increased price for their paper and thus bolster the whole price structure of the higher grades.

I call upon you as a public-spirited citizen to do your part in saving an industry that is in dire need of relief from the domination of the press.

Yours very truly,

W. J. WARD, JR.,  
Vice President.

Mr. Speaker, Mr. Ward's letter tells in a much better manner than I could hope to do the desperate situation of the paper industry. I may say that the same deplorable situation confronts the match industry.

Mr. HOEPEL. Mr. Speaker, will the gentleman yield further?

Mr. KNUTSON. As I have no assurance that my time will be further extended, I must decline to yield. I do not want to unduly consume the time of the House, but I feel justified in taking such time as is necessary to call to your attention the chaos that exists in American agriculture, industry, and mining because of insufficient protection due to the devaluation of the dollar.

When we had Secretary Wallace before the Ways and Means Committee a year or more ago, he expressed the opinion that any American industry or activity that could not stand upon its own bottom should be discontinued in favor of the foreign competitor who can produce more cheaply.

If we cannot compete with New Zealand in the production of butter because the cattle of New Zealand are out on green pasture 12 months of the year, should we go out of dairying?

Because we cannot compete with China in the production of dried and powdered eggs, should our poultrymen be compelled to go into some other line?

Because we cannot compete with Great Britain in the manufacture of pig iron, should the American manufacturers of pig iron be forced to go into something else?

Because our papermakers cannot compete with the print-paper manufacturers of Canada, Scandinavia, and the Baltic states, should they be compelled to close down and throw their employees out of employment?

Because American growers of rye cannot compete with Canada and Europe, should they be compelled to go into some other line of activity?

Because American match manufacturers cannot compete with Japan and Russia, should they be compelled to close down?

Because our livestock raisers cannot produce cattle as cheaply as can Argentina, should they be compelled to go into some other line?

These are vital and pertinent questions, my friends, and if the announced policy of the Roosevelt administration is followed out to its logical conclusion, what will be left to the American farmer, wage earner, and manufacturer save bankruptcy? This is something that should give us the deepest concern, regardless of our political affiliations and beliefs.

The Republican Party stands for the prosperity of the American producer and wage earner. It believes that the American market belongs to the American farmer, laborer, and manufacturer; and, in order to protect that market for the home folks and against the devastating competition of peasant, peon, and slave labor in other countries, we believe that it is absolutely necessary that we have a tariff that represents the difference in cost of production in this country and competing countries. If I am not mistaken, the next campaign will be waged with the tariff as the paramount issue. [Applause.] Then the American people will have an opportunity to decide whether our own people or those of other countries shall be looked after first. The Republican Party believes that our first duty is to the American people. In 1936 we will go before the electorate on the sound and incontrovertible proposition that there can be no return of prosperity so long as we continue to violate the fundamental principle that the home market belongs to the American producer, wage earner, and manufacturer. There never has been a time in the history of the Republic when we were less able to withstand the blighting effects of free and unrestricted international trade. Mr. Doughton speaks of mak-



ing employment for idle workers formerly engaged in producing for the export trade. Why not make work for the millions of idle Americans who were formerly engaged in supplying our home needs? We consume over 90 percent of what we produce, so it would seem to me that providing work for these millions of unemployed should be our first concern.

We have spent billions and billions of dollars for relief, but we have not relieved the unemployment evil. Why not raise the import taxes to a point where industries now operating part time may go onto a full-time basis, which would also encourage the reopening of factories now completely closed down? That would give work to everyone and yet not cost the Federal Treasury one red penny. I commend this plan to the thoughtful consideration of the party in power. If you will adopt such a plan and eliminate the existing uncertainty in agriculture and industry, you can end the depression in 60 days. [Applause.]

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had concurred in a concurrent resolution of the House of the following title:

H. Con. Res. 16. Concurrent resolution rescinding the action of the Vice President and Speaker in signing the enrolled bill (H. R. 330) entitled "An act for the relief of Sophie de Sota."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 5913) entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. COPELAND, Mr. HAYDEN, Mr. SHEPPARD, Mr. NORBECK, and Mr. TOWNSEND to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 5255) entitled "An act making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKELLAR, Mr. RUSSELL, Mr. PITTMAN, Mr. HALE, and Mr. NYE to be the conferees on the part of the Senate.

#### PUBLICITY OF TAX RETURNS

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 155.

The Clerk read as follows:

#### House Resolution 155

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 6359, "A bill to repeal certain provisions relating to publicity of certain statements of income." That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

The SPEAKER. The gentleman from Pennsylvania is recognized for 30 minutes.

Mr. O'CONNOR. Mr. Speaker, this rule provides for the consideration of the bill commonly known as the repeal of the "pink slip" provision of the income-tax law. It is a matter which is familiar to all the Members here. It has been a vexatious question for a great many years in the House and in the Congress.

The matter of giving publicity to the income-tax returns of our taxpayers has been treated in different ways. Early

in this session the gentleman from New York [Mr. BACON] introduced a bill to repeal the section providing for such publicity. We are today considering a substantially similar bill introduced by the gentleman from North Carolina [Mr. DOUGHTON], the beloved and distinguished chairman of our great Committee on Ways and Means.

Personally, I have always been opposed to the publicity provision and I have always voted against it. [Applause.]

Thanks to the distinguished gentleman from North Carolina [Mr. DOUGHTON], this iniquitous measure is about to be repealed.

Next to the snooping which went on under the eighteenth amendment, I believe this provision for publicity of income-tax returns, in the various ways it has been enacted into the law, has been the most outrageous violation of personal privacy this Government has ever attempted. I believe publicity of income-tax returns is wrong in principle, for this reason; it violates the privacy of our citizens. I am not concerned with the emotional talk about racketeers, snoopers, or gangsters. I believe the provision was always wrong in principle; that it never should have been enacted into law, and that it should be taken out of the law with all possible speed.

I am not concerned that only 3½ percent of our people pay income taxes. I believe the principle would be the same if there were only one taxpayer in this entire Nation. I believe the amount of income that any one of our citizens earns is solely a confidential matter between that citizen and his Government and is not the business of any other person, whether a snooper, a racketeer, or the editor of a great newspaper. Let people mind their own business.

I have always felt that this principle of publicity of income-tax returns is similar to a possible repeal of the provisions in the Bill of Rights against "unlawful search and seizure." If the snoopers can find out how much income a citizen makes a year, the same interlopers can go into our homes and find out what you do there, day or night. Does anyone want that?

I do not believe that the American people ever intended when they adopted the income-tax amendment that the income of citizens would be made public for anybody who wanted to see it. I believe this repeal comes late, but I hope this is the day when our citizens will again be protected against the invasion of their privacy, and I hope, Mr. Speaker, that the repeal measure will overwhelmingly pass. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, in considering this legislation here today I think it is well that we should go over past history a little and be sure that the real picture is put before the House and the country.

As a matter of fact, when this provision was adopted it never received any real consideration in the House. It was put on in the Senate and came over to the House in a conference report in the very last few days of the session; there was practically no consideration and we had to accept it. It never had the consideration it was entitled to.

I also want you to remember that we put a like provision in the law back in 1923 or 1924, and after 1 year's experience it was almost unanimously repealed.

So that it shows that from our own experience when it was on the statute books it did not produce the result which the people who advocated it expected, or any other useful purpose, so was promptly repealed.

The reason given for the provision was that it would tend to bring in new income to the Treasury and result in more accurate returns.

The best information, it seems to me, there is on that subject comes from the State of Wisconsin where they had this provision in effect for 7 years, and I want to read a paragraph from the report of the Tax Commission of the State of Wisconsin:

The repeal of the secrecy clause by the 1923 legislature opened all income-tax returns to public inspection. The repeal was urged and passed upon the supposition that public inspection



would result in fewer incorrect returns and in discovering much unreported income. These expected results have not materialized in any degree in the administration of either the individual or the corporation returns. There have been no instances where public inspection has brought forth unreported income, and as to its anticipated effect in producing more correct income returns, experience has shown that it has had the opposite effect. Knowing that their returns are open to inspection, taxpayers consolidate and condense their reports to make them as unintelligible as possible to those inspecting them, thus making their auditing by the commission or by the income-tax assessor more arduous, necessitating additional work, considerably more correspondence, and consequent expense and delay.

Further, the commission reported at that time:

A survey shows that public examination is almost wholly without any public motive or significance, but that advantage is taken of it to serve private and personal interests. Our filed returns are used by credit organizations which have men on hand almost constantly digging into the files. Returns are examined to prepare lists of prospective purchases of stocks and bonds and for other soliciting and advertising purposes. A common use of returns is to secure information in negotiating for the purchase of business properties, and very frequent use is made of them in delving into the intimate concerns of business competitors.

Further, the commission reported at that time:

The indiscriminate examination of returns is not only an imposition upon the reporting taxpayers but is also an imposition upon the State and upon its tax administration officers and employees. The commission does not favor any secrecy of returns that would bar examinations in the public interest, but it does suggest that the promiscuous misuse of files for private purposes to the great inconvenience and annoyance of officials and the expense to the State ought to be discontinued. No other State or country having such files in custody permits such misuse of them. These files contain the record of the lifeblood and register the pulse of the person and private business affairs of our own taxpayers and should be accessible only when the public interest is concerned.

It seems to me that that is about as good evidence as we can possibly get on a matter of this character, and it is absolutely conclusive on this subject. We should also take into consideration that every tax law that we have passed since 1913 has a provision in it authorizing the President, when he deems it necessary in the public interest, to make available these tax returns.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 5 minutes more.

Mr. SNELL. And as far as I know, the President has never taken it upon himself to open up the tax returns, because he has never been shown any real reason for doing it.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. SNELL. I yield.

Mr. MAY. I do not know that I remember the exact phraseology of the constitutional provision of the Bill of Rights, but it is to the effect that all men shall be exempt from unreasonable search and seizure of their persons and property. What is the difference between the statute that requires one to disclose in detail his personal property or money and going into one's house and searching for it and knowing that it is there?

Mr. SNELL. It seems to me that it is about the same thing.

Mr. WITHROW. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. WITHROW. Has the gentleman read from the findings of the commission, or from a letter written to someone by one of the commissioners?

Mr. SNELL. I have read from the report of the Wisconsin State Tax Commission, to which, I understand, all of the commissioners adhere.

Mr. MILLARD. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. MILLARD. I have a copy of a letter from the commission, dated March 1, 1935, and it carries out what the gentleman says.

Mr. SNELL. That is the best information that is available on the subject at the present time, and comes from the only State that publishes returns. As a matter of fact, I do not know of any information that has ever come to us where

any real public good was advanced by opening up these returns. Under our present law they are all available to any committee of Congress that has reason to investigate them, and every reasonable protection to the public is maintained by this provision for investigation. As a matter of fact, large corporation returns are published at the present time, and they are available to anyone who is interested in them, and the only possible excuse for making these income-tax returns public is for the purpose of catering to the most sordid inquisitiveness there is in every community. Unless someone can produce some real reason, which has never been produced as far as I know, I think the law should be immediately repealed. This commission goes on further to state that these returns are continually looked over by people who desire to get some sort of a list of people to whom they can attempt to sell things. In other words, a sucker list.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. DONDERO. Is it not true that what this law does is to make Government just a little bit more disagreeable to them 3½ percent of the taxpayers of the country?

Mr. SNELL. It not only does that but it does not produce any good for the other fellow.

Mr. MILLARD. There are 29 States in the Union having income-tax laws. In 28 of them they do not have the publicity of the income tax.

Mr. SNELL. In addition to that, the commission says that it has produced no public good, no additional returns, or no more honest returns.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. FITZPATRICK. I am in favor of the bill. Assuming that this bill is passed, but not signed until after the 15th of this month, will it affect the present publication of the income taxes?

Mr. SNELL. I do not think so. If it is not passed in time before the 15th, of course the returns will be open to inspection on the 15th.

Mr. GRAY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. GRAY of Pennsylvania. The gentleman is well informed in these matters and he has the good of the Nation at heart. Where money is accumulated in large sums, and in disproportionate measure, does not the gentleman think that it is well for the people to know where this money is being accumulated?

Mr. SNELL. I do not think that that is a question that goes into the matter of the publication of tax returns. I think that is an entirely outside matter.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 5 minutes more.

Mr. SNELL. It seems to me it is very important at this time, especially in view of the happenings in the last couple of years, that we should not do anything as a Federal Government, to in any way encourage kidnapers and other people of that type. As a matter of fact, no poor child was ever kidnaped, as far as I have been able to learn. I think that when we go so far as to open all these returns, to a certain extent we are catering to the racketeers, to the policy men and kidnapers and the very worst element in our entire society. Personally I am very much opposed to continuing that any further. I am sure the majority of this House is of that opinion.

Mr. RANDOLPH. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. RANDOLPH. The provision now works to the advantage of the snooper rather than to the taxpayer. The honest citizen has neither time nor inclination to get this information, has he?

Mr. SNELL. As far as I know, very few of them have ever expressed any desire for it. It comes from the other element in our communities.



Mr. KELLER. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. KELLER. The gentleman regards this as an important measure, does he not?

Mr. SNELL. I do.

Mr. KELLER. Then why should we not have more than 1 hour for general debate on this measure?

Mr. SNELL. I am not responsible for what time the majority side of this House allows for debate on any question.

Mr. MILLARD. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. MILLARD. I have a letter from the warden of Sing Sing Prison. I wonder if the gentleman would mind putting that in the RECORD during his time?

Mr. SNELL. I will be very glad to have the Clerk read it in my time.

The SPEAKER. Without objection, the Clerk will read the letter.

There was no objection.

The Clerk read as follows:

OSSINING, N. Y., March 1, 1935.

HON. CHARLES D. MILLARD,

*The House of Representatives, Washington, D. C.*

MY DEAR CONGRESSMAN MILLARD: While I believe the proposed publication of incomes may have its advantages and all interested officials should know what the financial return is for a particular organization or person, nevertheless, if publication is made of personal incomes, it will be the source of information for people who are criminally inclined and will undoubtedly form a basis for not only a sucker list but for extortion and other purposes, even robbery. Therefore I respectfully ask that you use your efforts to attempt to abrogate this vicious law.

With best wishes, believe me,

Sincerely yours,

L. E. LAWES.

Mr. SNELL. It seems to me that the argument presented by the commission which administered this law in Wisconsin, and the reports of distinguished gentlemen like the one whose letter was just read by the Clerk, are more effective arguments than any I could make at this time. It seems to me this House will be performing a real service to the country if it unanimously votes for the repeal of this obnoxious law. It might be of interest to state that foreign countries that have had an income tax for a great many years have always maintained the strictest secrecy of returns. England has had one for 75 years.

Mr. BLANTON. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. BLANTON. Did I understand the minority leader to recommend that the House repeal this by unanimous vote?

Mr. SNELL. I would like to have it, as far as I am concerned.

Mr. BLANTON. The gentleman would like to have every Republican on his side vote for repeal?

Mr. SNELL. I said that as forcefully as I could, and I am sure the very great majority of them agree with me.

Mr. BLANTON. I just wanted that distinctly understood.

Mr. SNELL. I would be glad to have it understood, and I would like to have the country understand that I am for the repeal of this measure. There is no question about it, nor is there any doubt in mind about feelings of a great majority of the Members on both sides. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I cannot help but look with suspicion on any bill that has been introduced or is being advocated by the Republican leaders. I am fearful that this bill will pass and that the publicity features of the income-tax law will be repealed.

Mr. MILLARD. Will the gentleman yield?

Mr. SABATH. Later I will yield.

I myself, however, do not believe in the arguments that are being advanced by those who desire the repeal of this law, that it will aid the racketeers and that it will provide a sucker list, or that it will help kidnapers. Oh, what ingenuity is employed by these gentlemen who desire to bring about the repeal of this law! Of course, I am satisfied that,

with the terrific lobby and the propaganda that is going on for the repeal of this provision, it will pass the House. Unfortunately there are very few men in the House who have time to study the underlying reason for the demand to repeal this provision, but I know the demand comes from those who do not desire that income returns should be published, especially for the reason that it will disclose that there are thousands of business men, manufacturers, and others whose return will show substantial profits in 1934, who in 1930, 1931, and 1932, under the Republican administration, suffered tremendous profits. It is these gentlemen who have been the beneficiaries of the new-deal legislation, who, under this provision, will be compelled to make true returns showing that conditions have improved under the present administration and by reason of legislation enacted on the recommendation of our great President, Franklin D. Roosevelt. It is they who were on the brink of bankruptcy in 1931 and 1932 that naturally dislike very much to have the public have knowledge of the progress that has been made for recovery and, notwithstanding the benefits they have derived, are continuously criticizing and finding fault with President Roosevelt's policies and with the action of the Congress.

Yes, Mr. Speaker, there are hundreds upon hundreds of corporations and thousands of business men who have made large sums of money and who will pay substantial income taxes for 1934 due to the improved conditions in business. They, I fear, in conjunction with some of the big taxpayers, may feel they may evade the payment of just taxes, and their real concern is that it will not be as easy to do if this publicity provision remains in force.

My friends on the other side dislike to admit, yes, even deny, that conditions have improved. It is for that reason that the Republican leader and the Republicans regard this publicity provision with disfavor, or rather that the publicity of returns be brought to the attention of the country, because the country would recognize and appreciate how much good has been accomplished by President Roosevelt and the Democratic Party for the Nation and for business. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. SABATH. I yield.

Mr. BLANTON. The distinguished gentleman from Illinois is making an interesting speech and I am with him and he ought to have the entire membership present to hear him. I want to ask him a question. The gentleman at one time was one of the big farmers of this Nation, one who in years gone by has raised 100,000 bushels of potatoes and 100,000 bushels of onions in 1 year. I want to ask the gentleman if, when the gentleman pays his taxes to the State of Illinois and every other citizen pays his taxes to the State of Illinois, is it not a fact that anyone can go to the court house and find out exactly the amount of taxes that every one of them paid?

Mr. SABATH. Yes; it is easy for one to ascertain the amount of taxes one pays in my county or State. A list is made public and printed and any citizen is entitled to obtain it. Never, to my knowledge, has any one been injured by the publication of this list, but I do know that it has enabled my State and county to obtain hundreds of thousands of dollars of taxes that before the publication of such returns the State and county were deprived of.

As to being a big farmer and raising the crop the gentleman describes is far-fetched. He should have prefaced that and said "was." I assure him it would not have been embarrassing to file a return on profits derived therefrom. Fortunately, or unfortunately, I have been obliged to deny myself the luxury of farming.

Mr. BLANTON. Right at this point I want the balance of the Members to hear the gentleman from Illinois, and I make the point of order that there is no quorum present. I am with the gentleman on his position, but I want the Membership to hear him. This is a big fight going on in this House.

Mr. MILLARD. Mr. Speaker, a point of order. [Here the gavel fell.]



Mr. BLANTON. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-one Members are present, a quorum.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I am sure I want to thank the gentleman from Texas for at least making an effort to get all of the folks over here to hear my first talk. [Applause.]

Mr. Speaker, I rise in support of this legislation to repeal the publicity feature of the income-tax law. I come from a district in the State of Indiana in which I do not believe there is living a single millionaire. I have heard it suggested several times that the only people who desire the repeal of the publicity feature are those people who are making a lot of money. The country doctors in my district have been writing me asking that this section be repealed. The small business men have been writing me to this same effect. In my short experience I have observed that very often we get communications which simply reflect some high-powered propaganda. That is not my experience in this particular matter, however. Rather is it my idea that the people of my district who are in the lower brackets desire that this matter of publicity be done away with.

We have heard a lot of propaganda, and there has been going through the country that line of thought which would make it appear that if a man has \$1,000 in the bank or is making a little money that he is an enemy of society. I do not believe that this should be true, and I do not think that we ought further to embarrass the people who are the backbone of our country by subjecting their report as to the amount of money they are making to the scrutiny of everyone who might want to have that information.

Another thing which has occurred to me is that if there is any forgotten man in the United States it is the taxpayer; and I am led to inquire whether we should add insult to injury by requiring that the amount of tax that he pays and the money that he makes be made public? It seems to me it can serve no good purpose.

Fundamentally I believe that this thing is attacked because it is an invasion of everything that we have heretofore believed to be a matter of American liberty, independence, and private concern. I listened with interest to the theory of the gentleman from Illinois that we are ashamed to admit that we are making more money under the new deal than we did before. That is a matter of opinion to which I do not subscribe. There are many people who are now wondering whether the Boston Tea Party has been such a success, and whether the efforts of those who gave so much to make the world safe for democracy have been in vain. We ought not to disturb the fundamental liberties and rights that are guaranteed to the people of America.

Mr. CANNON of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. CANNON of Wisconsin. If one of the gentleman's constituents were a successful business man and made an honest and truthful report, how could he be embarrassed?

Mr. HALLECK. Let me answer that. I have in my file a letter from a small business man running a small manufacturing concern in the city of La Fayette. He said:

It is bad enough to have my big business competitors counting my employees as they come out of the door and stepping off my floor space in order to get at my financial standing and my ability to compete, without handing over to them the very facts as to my financial position.

[Applause.]

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. DONDERO. There has never been, and there is not now, any objection to any officer or agent of the Government who has the right to this information being given it, is there?

Mr. HALLECK. I think that is correct. It has been my observation that in the matter of ferreting out failure to pay income tax, those things have come as a result of

months and even years of effort by Government experts who have worked it out. I would like to know what good purpose can be served by making it possible for every probe in the country to see what a man makes.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 3 additional minutes to the gentleman from Indiana.

Mr. HALLECK. I am not particularly concerned in this talk about kidnapers. I am inclined to believe that the kidnapers have available more information than they would get from this publicity matter. But beyond that it subjects every taxpayer to the approaches of those people, for instance, who want to borrow money or sell goods. Why, I might ask when you go home next summer and John Jones or Bill Smith comes to you to borrow \$200, what are you going to tell him if he knows that your income has been \$2,000 or \$10,000 and that you have the money? What are you going to tell the man who is after you trying to sell insurance or any other commodity or goods. These are some of the things, in my opinion, which make people favor the repeal of this provision. As I view it they have a right to be protected in their individual liberties or rights.

I was not here when this bill was passed, but I am happy to be here to vote for its repeal. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Speaker, the propaganda in favor of repeal of the "pink slip" provision is one of the oldest rackets we have in this country and it is typical of the usual raid upon the common people of the country. It is a raid upon the 98 percent of our people who do not make enough money or have enough property or enough earnings to even file an income-tax report.

Mr. Speaker, in 1934 there were 1,968,170 returns closed in the Treasury Department. Of that number only 1,509,030 were returned by individuals, 459,140 being returned by corporations. So we have less than 2 percent or, in other words, less than 2 men out of 100 in this country who even filed returns.

What does this mean? Unless you make \$1,000 net in a year if you are a single man or \$2,500 if you are a married man, you do not have to file a return, and unless you make a gross income of \$5,000 you need not return any statement at all. Why, Mr. Speaker, this silly, futile argument that this pink-slip provision helps racketeers and gangsters is nothing but pure bunk. This argument in favor of repeal only helps the rich gangsters, the multimillionaire gangsters, to get by and evade and defraud the Government of its just taxation. It is merely another charge of the "Light Brigade" of the plutocrats. We have a communication, a copy of which is out in the lobby, from the so-called "Sentinels of the Republic", headed by Raymond Pitcairn. Every one of the Members received a letter urging repeal of the "pink slip" provision. What is this organization? Instead of calling them the "Sentinels of the Republic" I have a better name for them. I call them the listening posts for the predatory, pusillanimous plutocrats of this country. [Applause and laughter.]

Mr. Speaker, they want us to repeal this provision. This feature of the income-tax law was enacted in the Seventy-third Congress. An opportunity has not been had to try it out or to work it out, yet they want it repealed. Every Morgan wants this provision repealed as well as every Mellon and every Rockefeller. They are for the repeal of this pink-slip provision. Who else is for it?

Let us stand up and count noses. Let us see who is for it and against it. Are the farmers of this country, who did not make enough to pay an income tax, in favor of repeal of this provision? Are the 20,000,000 people who are on the relief rolls in favor of repeal? Are the 11,000,000 unemployed for repeal? Are the 40,000,000 wage earners and independent small business men in favor of repeal? No. They like myself want all of the pitiless publicity that can be given to this matter thrown upon the incomes of the rich, the superrich, and the idle rich. Who else requests repeal?



Why, every utility magnate of this country and all of the racketeer bankers favor repeal; yet you compel your American farmer to file a complete statement of his business every year, and if he participates in the adjustment crop program he must file every last acre and its productivity.

The farmer, that Atlas upon whose broad shoulders the world rests, does not favor repeal. His taxable and mortgaged property are open at all times for public inspection of both the money lenders and the 36-percent loan sharks. If the farmer desires to avail himself of the Government's crop-reduction program, he must list to the last acre which is producing or is not producing, and if he makes a mistake of one single acre in filing his return, he is penalized by the Government and will not receive one cent of the amount due him. Moreover, every 5 years the farmer must fill out and sign and swear to a statement of his crops, his financial standing, and how deep he is in debt. Three farmers in Illinois revolted against this "inquisitorial" requirement of the Government and refused to sign the returns. Now the Government intends to prosecute them, to have them indicted, and sent to jail for noncompliance with this "inquisitorial" procedure.

Is the small business man and independent producer for repeal? No; he is against it. His income is so limited that revenue collectors do not worry him. His great worry is the chain-store buccaneers, headed by Col. Robert Wood, president of Sears, Roebuck Co., and recently appointed chief of the President's Advisory Committee to spend \$4,880,000,000 of taxpayers' money for public relief. Colonel Wood is heartily for repeal of the pink slip.

Practically all the bankers of the country are for repeal and especially the big racketeer banks who lend something to borrowers they have not; namely, money. Their racket is to collect interest on \$10,000 whereas they only have \$1,000 of actual currency. All of the public-utilities magnates are for repeal. Henry L. Doherty is for repeal. His depredations and casualties among the common people are numbered by the hundreds of thousands. If pitiless publicity for income-tax payers has slain its thousands as these prosperous "repealers" contend, then men like Doherty, Morgan, Mellon, and Rockefeller have slain their tens of thousands by their swashbuckling pillage of the masses who work for a living—the farmers, wage workers, small business men, and soldiers who do not object to income-tax publicity.

Every robber of an orphan, every despoiler of widows, every crooked stock-and-bond salesman who stole the peoples' savings is for the repeal of the pink slip. Al Capone is for repeal. A notorious brigand who was so clever and so powerful with officials of the law that the Government was unable to apprehend him for illegally selling beer and whisky, but was able to send him to the penitentiary for evasion and fraud in his income-tax returns. And today Al Capone rests securely behind the Federal prison bars on the rock-bound coast of that modern island of St. Helena.

Andrew Mellon, the greatest refunder of plutocratic income taxes in the Nation's history, who refunded \$4,000,000,000 to the rich during his incumbency as Secretary of the Treasury, strongly favors the repeal of the pink-slip clause. He, like his fellow bluebeard, Morgan, objects to having the pitiless light of publicity thrown upon his tremendous wealth and holdings. Nearly 80 years old and somewhat senile in all mental processes except that of grabbing and holding and retaining money and bonds, he now spends his declining years in what I hope is an abortive and ill-fated attempt to rob the Government of \$3,000,000, which the Government contends that he owes. He is one of the plutocrats who will move heaven and earth and stop at nothing to hold his slimy heaps of gold. One of his favorite tricks is to hand millions to his progeny, his sons and daughters, under the thinly veiled guise that he is teaching them how to become good business men and women. But all of these illicit deals are in fact and in truth successful attempts to unload his vast wealth upon the future holders of Mellon wealth and aristocracy and, at the same time, burden the already bowed backs of the farmers and

industrial workers with a load of taxation that crushes them to the ground.

The ingenious plan by which Mellon divested himself of title to \$10,520,495 of disqualified bank stock to become Secretary of the Treasury in 1921, but in which transaction Mellon did not lose a penny of income from the stock, was told to the Board of Tax Appeals by his aged 79-year-old financial secretary, Howard N. Johnson.

These fellows are all repealists, who not only want to repeal the pink-slip clause and prohibition but they want to repeal soldiers' pensions, the child-labor law, the labor provisions of N. R. A., and the processing tax on farm commodities.

They want to repeal all laws, all regulations, and all methods which do not work for their own special benefit and enable them to continue as burglars of wealth, idle holders of idle capital, lounge lizards of the blue-blooded, and pink-toed aristocracy of wealth. They are against all people, all things, and all conditions that do not add to their monstrous fortunes and huge incomes—which are no more nor less than a heavy toll exacted from the pockets and wrung from the hearts of the common people.

The simple statement that 98 percent of the people of this country do not pay income taxes speaks eloquently of the tragedies and pathos that mere words can neither paint nor picture. When the plain truth is told we must admit the Nation is bankrupt. The total bonded, mortgaged, and unsecured debt, public and private, is \$235,000,000,000; yet, being generous and conservative in making an estimate of national wealth, none will declare that all of our wealth, all of our resources, and all of our mechanistic equipment is today worth more than \$250,000,000,000.

The 98 percent—the one hundred and twenty-five millions who have not enough property, who have not a sufficiency in wages or income to even file returns—this 98 percent of our people have a \$15,000,000,000 equity in a \$250,000,000,000 corporation owned by the plutocrats, the trusts, massed industry, the bond grabbers, and coupon clippers. Industry is bankrupt and mortgaged, and a heartless moneyed aristocracy rules, with the people being enslaved. The ironshod heel of ruthless wealth grinds deeper into the ever-yielding cheek of an unoffending farm citizenship and wage workers who must earn their living by the sweat of their brows.

A wholly nefarious organization that I am again pleased to mention is the Sentinels of the Republic, by Raymond Pitcairn, national chairman. This organization of the rich and near rich proudly pats itself on the back and arrogantly proclaims to have—

hitherto successfully opposed such measures in aid of bureaucracy and irresponsible government as the so-called "child labor amendment", which would give to Congress the power "to limit, regulate, and prohibit the labor of persons under 18 years of age." The very wording of this measure should be abhorrent to true Americans, and the fact that three-fourths of the States rejected it within 3 years after its proposal by Congress in 1924 confirms this judgment—

Says Mr. Pitcairn.

I repeat that the "sentinels" of wealth boast of their opposition to the child-labor amendment. They not only would crush mature labor, men and women, but they would crush the little children. They would make them tramp the brutal treadmill of massed industry. They oppose the President's Public Works bill with an appropriation of \$4,880,000,000 to relieve the unemployed. They call the sum "astronomical." They want this appropriation "safeguarded" by a provision "prohibiting its use in competition with private business enterprises." They are against the President's social security legislation. They do not want to take any chances with the "money of the taxpayers" to adopt "highly complex" and "experimental schemes of unemployment insurance, old-age pensions, help for mothers and infants, child welfare, and local public health programs."

When it comes to gall, arrogance, and pure unadulterated brass, "The Sentinels of the Republic" measure up well with the American Liberty League, the Economy League, and other predatory organizations of idle holders of idle capital. They



hypocritically cant through their mouthpiece, Mr. Raymond Pitcairn, national chairman:

The taxpayer has no opportunity to show the proportion of his income he is using to employ self-respecting citizens who would otherwise be on the dole, nor does it reveal his contributions to charity.

No, we have no desire to expose the private affairs of the rich to satisfy the morbid curiosity of their less brethren, as Pitcairn claims. We demand, however, that the public who have a right to know the amount of incomes be satisfied in the securing of knowledge that Congress says they are entitled to.

Your cool assumption, Raymond Pitcairn, that income taxpayers, represented by less than 2 percent of our population, are preventing the unemployed from being on the dole and that the contributions to charity are saving people from Federal relief funds, is the cap sheaf on your shock of deliberate untruths and misstatements. The answer to that damn-fool statement is Relief Director Hopkins' figures of 20,000,000 people on State and Federal relief lists and the statement of William Green, president of the American Federation of Labor, of 11,000,000 unemployed.

You further state, "This act will encourage mendicants and high-pressure collectors"—as if these unfortunate beggars in a land of plenty would be so optimistic and hopeful as to expect anything from the income-tax dodger. One would think that these tax evaders whom you represent would pay their bills so promptly that collectors would never call on them. You babble on, "Untold injury will be done not only to citizens of large means, but citizens of modest means will suffer even greater hardships and many of them eventual ruin." What about the hundreds of thousands of farmers who have been not only eventually ruined but finally and completely devastated by your money lenders and mortgagees, whose farms have been foreclosed and the owners thereof turned out in the road, and who haven't paid income taxes for 15 years? What of the additional hundreds of thousands of home owners who have lost their homes and have been set out in the street by the sheriff to beg, starve, or steal through no fault of their own but because of a government of the rich, by the rich, and for the rich?

You ("Commodore" Pitcairn) appear to be solicitous that "the man who has a small business will reveal his modest income." In contradiction to this statement, I beg to state that the small business men with whom I am familiar, and there are thousands of them in the State of Ohio, are hanging on by the skin of their teeth and their incomes are so modest that they have none to report to the Federal taxing authorities. You express fear about doctors, engineers, lawyers, and other professional men whose incomes "vary." Paradoxically, you say "They may appear as failures, although in fact they may be successful." Why display so much solicitude about this group of our citizens, who taken as a class are by and large successful, have never known poverty and depression and who are listed in the 1934 Treasury Report as having paid 60 percent of all of the income taxes of the country in that year?

Here is a gem, a masterpiece! You now express "concern" about the welfare of the elderly people. You solemnly aver, "The publication of income-tax returns of elderly business and professional men will show up to their clients and patrons their small incomes." That is exactly the condition that the millions of people who are signing the Townsend-bill petitions are raising hell about. The incomes of these deserving people have shown a steady and progressive diminution to that point which is represented in algebra by the quantity known as "minus x", which means the tail end of nothing. Again you declare, "Young men will be embarrassed in the development of new undertakings by the exposing of their limited income." Well, brother, if you had traveled out into the great open spaces as I have, if you had as honestly and diligently attempted to represent the people who have to work for a living as I do as Representative at large for the State of Ohio, you would know that we have about 100,000,000 people in this grand and glorious country of ours who are in the same boat. We have nearly 4,000,000 World War vet-

erans who are embarrassed unto death because they have no jobs, no incomes, and such "patriots for dollars" as you and your organization knock and pound the soldiers' bonus bill in and out of season.

No; we are fed up on this pink-slipped, silk-stockinged propaganda. We have a bellyful of this sort of hogwash. Your abortive attempt to tickle my heart strings for the benefit of the overfed and underworked millionaires does not register with me. My sympathies, my devotion, and my efforts shall be directed for the distressed farmers, wage-workers, soldiers, small business men, and producers, who, in the end, create all wealth and pay all taxes. I am fighting for 123,000,000 people who do not pay income taxes. [Applause.]

INCOME-TAX COLLECTIONS—TABLE NO. 1 TAKEN FROM ANNUAL REPORT OF THE COMMISSIONER OF INTERNAL REVENUE FOR THE FISCAL YEAR ENDED JUNE 30, 1934

Collections of internal-revenue taxes during the fiscal year 1934 amounted to \$2,300,816,308.88, compared with \$1,619,839,224.30 for the fiscal year 1933, an increase of \$680,977,084.58, or 42 percent. In addition, collections of agricultural-adjustment taxes totaled \$371,422,885.64 during the fiscal year 1934.

Income-tax collections for the fiscal year 1934 amounted to \$817,025,339.72, compared with \$746,791,404.11 for the fiscal year 1933, an increase of \$70,233,935.61, or 9 percent. Collections of miscellaneous internal-revenue taxes during the fiscal year 1934 amounted to \$1,483,790,969.16, as compared with \$873,047,820.19 for the fiscal year 1933, an increase of \$610,743,148.97, or 70 percent. This increase is accounted for in round numbers of \$175,000,000 from the new taxes imposed by the National Industrial Recovery Act on capital stock, dividends, excess profits, and additional tax on gasoline; \$215,000,000 from liquor taxes as a result of prohibition repeal, the Liquor Taxing Act of 1934, and a full year of returns from beer taxes; \$79,000,000 from estate and gifts taxes under the provisions of the Revenue Act of 1932; \$110,000,000 from manufacturers' excise taxes, and taxes on communications, pipe-line transportation, and checks, the increase being attributed to better business conditions and a full year of returns; \$22,000,000 from tobacco and \$9,000,000 from stamp taxes, attributed to better business conditions. The detail of the administration of these taxes appears in the text following and the detail of receipts appears in the statistical tables appended to this report. Summary comparison of internal-revenue tax receipts by quarters follows (see attached sheet):

Agricultural adjustment tax collections, not included in attached figures, were \$39,676,530.50 for the quarter ended September 30, 1933, \$100,886,718.11 for the quarter ended December 31, 1933, \$112,527,834.84 for the quarter ended March 31, 1934, and \$118,331,802.19 for the quarter ended June 30, 1934, a total of \$371,422,885.64 for the fiscal year 1934. The taxes declared were on wheat, effective July 9, 1933; cotton, effective August 1, 1933; tobacco, effective October 1, 1933; field corn, effective November 5, 1933; hogs, effective November 5, 1933, with increased rates effective December 1, 1933, February 1, 1934, and March 1, 1934; paper and jute fabrics competing with cotton, effective December 1, 1933; and sugarcane and sugar beets, effective June 8, 1934. Collections from the taxes on each of these commodities appear in the statistical tables appended to this report.

COST OF ADMINISTRATION

The amount expended and obligated in administering the internal-revenue laws for the fiscal year 1934 was \$28,826,225.73, as compared with \$30,031,722.98 during the fiscal year 1933. The cost of collecting each \$100 of internal revenue was \$1.25, as compared with \$1.85 for the fiscal year 1933. (The amounts expended by the Bureau of Industrial Alcohol in administering the liquor laws prior to consolidation with the Bureau of Internal Revenue, May 10, 1934, are not included in these figures.) This sum does not include the amount expended for refunding taxes illegally or erroneously collected and for redemption of stamps, which is in no sense an administrative expense. The amount ex-



pending and obligated in administering the agricultural adjustment tax laws was \$2,544,178.39, or 69 cents for each \$100 of agricultural adjustment taxes collected. The total amount expended and obligated by the Bureau of Internal Revenue in administering tax laws during the fiscal year 1934 was \$31,370,404.12. The total revenue collected was \$2,672,239,194.52, of which \$2,300,816,308.88 represented internal revenue and \$371,422,885.64 agricultural adjustment taxes. Therefore, the cost of collecting each \$100 of the total revenue was \$1.17.

#### INCOME-TAX UNIT

Important changes were made in the law relating to income taxes under the Revenue Act of 1934. The most significant of these changes are discussed under appropriate headings below.

#### RETURNS CLOSED

The number of returns examined and closed during the fiscal year 1934 was 1,968,170, of which 1,509,030 were filed by individuals and partnerships and 459,140 by corporations.

#### Summary of collections by internal-revenue divisions

Sources	Fiscal year		Increase
	1933	1934	
Income taxes:			
Corporation.....	\$394,217,783.93	\$397,515,851.94	\$3,298,068.01
Individual.....	352,573,620.18	419,509,487.78	66,935,867.60
Total income taxes.....	746,791,404.11	817,025,339.72	70,233,935.61
Dividends and excess profits.....		52,859,738.53	52,859,738.53
Total.....	746,791,404.11	869,885,078.25	123,093,674.14
Alcoholic liquor taxes:			
Received by collectors of internal revenue.....	43,174,316.92	252,333,373.97	209,159,057.05
Deposited by collectors of customs.....	5,505.52	6,577,958.65	6,572,453.13
Total.....	43,179,822.44	258,911,332.62	215,731,510.18
Miscellaneous internal revenue:			
Estate and gifts.....	34,309,723.85	113,138,304.10	78,828,640.25
Tobacco manufactures.....	402,739,059.25	425,168,897.04	22,429,837.79
Sales (capital stock, stamp, and excise taxes, admissions, communications, checks, oleomargarine, etc.).....	392,238,008.12	633,282,270.62	241,044,262.50
Total miscellaneous internal revenue.....	829,286,791.22	1,171,589,531.76	342,302,740.54
Agricultural adjustment taxes.....		371,422,885.64	371,422,885.64
Total.....	829,286,791.22	1,543,012,417.40	713,725,626.18
Miscellaneous receipts (prohibition, delinquent under repealed laws, etc.).....	581,206.53	430,366.25	150,840.28
Total collections.....	1,619,839,224.30	2,672,239,194.52	1,052,399,970.22

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Speaker, it is natural that I should endorse the passage of this measure because it was my privilege to first introduce the bill on this subject, which I did on February 8. My bill is identical in purpose and practically identical in language with the one we are discussing today, which was introduced on March 7.

It is impossible today to discuss this question as comprehensively as I should like owing to the limited time of debate, but also this may not be necessary because of the fact that Mr. O'Connor of New York and others have already fully and persuasively covered the subject. I do, however, wish to touch on a few points that I believe to be fundamental and essential.

Mr. Speaker, my appeal to the House is for a dispassionate, nonpartisan, nonpolitical consideration of this question. I emphasize particularly the nonpolitical and nonpartisan feature of this proposal because the President of the United States did not recommend this provision in 1934, nor was it recommended by his Secretary of the Treasury.

I have seen in the press, and I am informed it is true, that about 10 days ago the Bureau of Internal Revenue made a report to the Treasury Department strongly recommending the repeal of this section.

Mr. Speaker, may I point out that if section 55 (b) is repealed many other safeguards will remain in the law that will not in any way be touched. It will still be possible for a committee of the House or a committee of the Senate to inspect the returns. It will still be possible for any State, municipality, county, or political subdivision within a State to get all of the information from the Treasury Department concerning the citizens of each particular subdivision. These provisions still remain in the law. So full information will still be available to all those who have a legitimate and a rightful excuse for having it. Furthermore, there will still be a provision in the act which will permit the President, if he deems that public necessity demands, to give full publicity at any time he sees fit.

The repeal of this section, therefore, does not remove the safeguards that we all want to have thrown around the publicity feature as far as it concerns proper officials. It seems to me that all of us should bend every effort to go after the tax evader and the man who submits a fraudulent income-tax return. I do not believe that there can be two thoughts in reference to this matter. It seems to me that the information on these so-called "pink slips" if published in newspapers will not in any way aid the Bureau of Internal Revenue in exposing the tax evader.

This has been the testimony of many different officials in the Bureau of Internal Revenue, not only now, but during past years.

The gentleman from New York [Mr. SNELL] quoted in full the report of the Wisconsin Income Tax Commission of 1930 and I shall not repeat that here, but it seems to me if we want to strengthen our laws against the tax evader and the fraudulent income taxpayer we should strengthen the powers of the Bureau of Internal Revenue. The efficient way to get the tax evader is by having competent internal revenue agents inspect the returns, audit the returns, and review the returns as they are doing and will continue to do, and it is only through efficient agents of the Treasury who have the right to go into every man's books, who have the right to examine into all his personal business affairs, that you are going to check the tax evader and not through any man who may read the information on these pink slips in his morning newspaper.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the balance of my time to the gentleman from New York.

The SPEAKER. The gentleman is recognized for 4½ minutes.

Mr. BACON. It seems to me the person who is most concerned with repeal of publicity, in spite of what some gentleman has said, is the small taxpayer. I want to reiterate the fact that any single person who has a net income of \$1,000 a year or over, or any married man who has an income of \$2,500 a year or over, must fill out this pink slip whether he pays a tax or not, and expose himself to the full glare of publicity in the press. The question of whether he pays a tax has nothing whatsoever to do with the situation and I am informed that the Treasury Department, to carry out the provisions of this section, intend to make available to the press of the country alphabetical lists by counties, by villages, by towns, by cities, and by States to anybody who wishes to get the information. Therefore, the person, it seems to me, who is going to be most concerned is the smaller business man who is facing strong competition from a larger competitor, and the smaller business man who, during the last 2 years of depression, may possibly have been running in the red, skating on thin ice, who does not want to proclaim to his competitor and to the world the precarious situation in which he may find his business.

Mr. KELLER. Mr. Speaker, will the gentleman yield for a question?

Mr. BACON. Yes; I yield.

Mr. KELLER. Where does the gentleman get the information that this will be given out for publication?

Mr. BACON. The Treasury Department has told members of the press and Members of Congress that to carry out



the spirit and letter of this act, unless it is repealed, they will make it public to the press and to anybody else who wants it.

Mr. KELLER. I got entirely different information, which is the reason I asked the gentleman the question.

Mr. MAY and Mr. DONDERO rose.

Mr. BACON. I yield first to the gentleman from Kentucky.

Mr. MAY. Undoubtedly, the last Congress in enacting this provision, which requires publicity of these reports, had in mind securing such information as would add additional revenue to the payment made in accordance with the reports. Therefore, the man who has a small income would not necessarily be particularly hurt by the repeal of the provision, and the congressional committees will always have access to the larger returns.

Mr. BACON. The businessman of small income will be hurt if his financial affairs are paraded in the press. The congressional committees will have access to the larger returns, but I want to make a plea for the small business man, the lawyer, the doctor, the merchant in the country, who, as I said before, during the last 2 or 3 years has been struggling to keep his head above water. He has been skating on thin ice. He does not want to disclose his intimate business and private affairs to his competitors or to his creditors; and many men who are beginning to come back, who are struggling to come back, do not want to go through the public humiliation of having their private business affairs spread on the front page of their country weeklies.

Mr. MAY. In other words, the small business man in a small town, for instance, who had an income 2 or 3 years ago and would have to show now that he has no income might be put in an embarrassing attitude with respect to his banker.

Mr. BACON. There is no question about it. It may mean bankruptcy for many of the small businessmen when this information is published to his competitors and creditors.

Mr. DONDERO. The honest people of this country do not want this information and the dishonest people ought not to have it.

Mr. BACON. Of course, the honest citizen of this country is too busy with his own affairs to go snooping around looking for such information. The only people who want it are the curious minded, the gossips, and the snoopers.

Mr. DONDERO. The "pink slip" which shows the net income does not portray the real condition of the taxpayer, because there are a great many things which the taxpayer has to bear by way of obligation that he cannot deduct.

Mr. BACON. There is no question about that. The information on the pink slip does not give the true picture, and the facts given are very misleading and unfair to the man giving them. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, this effort to repeal is not a Democratic measure. This is not a Democratic administration measure. Repeal is exactly what the Republicans want. This "pink slip" law was never passed by any Republican administration. If you will get the record you will find that upon the urgent insistence of Democrats we finally succeeded in passing an income-publicity law, and you will find that the leading Republicans voted against it and finally repealed it. You will find all of the Republicans now trying to kill this new publicity law we passed last year. You heard me get the minority leader to admit that he is now leading his Republicans on the other side to kill it.

Why, all your State, county, and city tax matters back in your State are matters of public knowledge. Anybody has a right to go to the courthouse and city hall and find what your taxes are at home. The court matters in your States are open to the public and are matters of public record. The divorce proceedings of your constituents involving the most sacred domestic relations are open to the public. All the litigation you have in your districts is public. Every criminal case tried is open to the public, and you will find the proceedings in the newspapers. Why should big incomes of

big multimillionaires be secret and confidential? Secrecy begets fraud. Defrauders do not want the light of day.

I will tell you what is going to happen. You are going to find a few leaders on the Democratic side following a Cabinet officer, and the minority leader leading his Republicans solidly to help repeal this law, and you are going to send it to the Senate, and you are going to see the Senate kill it, and then you will be left suspended in the air. And when your constituents demand an explanation all you can say is, a Cabinet secretary requested it, and the committee supported it, and we followed along. And it may be that your constituents will leave you still suspended in the air.

Do you want that to happen? I am not going to vote to repeal this salutary law passed last year. I am not afraid of the racketeers overreaching my intelligent constituents. That kind of talk is buncombe. It is brought in here to scare you into voting for repeal. Cannot your constituents handle bond and insurance agents? Mine can. They do not see them when they do not want to see them.

The people have a right to know about all income matters, and in this day of unrest I am speaking in the interest of every American citizen. By voting this repeal would add ammunition to these wild men who speak over the radio and arouse the passion and the prejudice of the people against the Government. It is just such un wisdom that brings on revolutions. I do not want to add fire and flame to that kind of propaganda being carried on through the United States today. I want to see it stopped. I want to see that kind of demagoguery stopped. I want the people of this country to know that they can have confidence in their Government. I want the people of this country to know that they can have confidence in their Congress, not only in the Senate but in the House of Representatives, which has always stood closer to the people than any other legislative body.

I am not going to vote for this proposal and undo the good work of years. It is iniquitous. I have been with our committees for all orders from the President, to put into effect the plans of his administration and to carry out the recovery policies of the President. But this is not the policy of the President, he has not sent any request for the repeal of this law, and it is no part of the Democratic platform. It is not a part of the administration's recovery program. So, why do you do it?

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield to my old pal over there across the aisle.

Mr. TABER. Is the gentleman going to follow the orders of the administration on the bonus?

Mr. BLANTON. I expected that. No; I am not. That is something that I have pledged my constituents about before there was this administration; and when a Member is pledged to his constituents, he is free to do what he likes. For several years I have pledged my vote for the bonus. I am free in this House to do what I like and vote my honest sentiments on something that I think right and proper, or is detrimental to the best interests of the Government and detrimental to the people of the United States. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. SHANNON].

Mr. SHANNON. Mr. Speaker, I have just listened to my good friend from Texas [Mr. BLANTON]. I could not make out exactly whether his remarks, as to what the Senate will do to this bill, were meant as a threat or a promise. He said that when we got through here the Senate would take care of this measure. I have not heard any protest from him concerning what the Senate is doing to the Public Works relief bill that was run through here about 6 weeks ago in 2 or 3 hours' debate. The pending "pink slip" bill is a very serious measure. It should not be approved or disapproved by a threat of what the Senate will do or will not do concerning it. It reaches into the family circle. There never was a family well organized or properly taken care of where the man at the head did not give thought to the finances of the family. I do not speak for the plutocrats. I speak



for the man whose income is five or ten thousand dollars a year. Let the amount of his earnings be known to those nearest and dearest to him, and they will destroy his savings. [Laughter.] If they have been getting along with a Ford, then, the minute they learn from a return of the income taxes that he has had a good year, although the record shows that for years he has been making two or three thousand dollars a year, if he suddenly makes five or ten thousand dollars for 1 year, then from the littlest member of the family up to the old girl herself, they will start out to buy automobiles, fur coats, and so forth, and no prudent head of a family living can take care of his family properly and safeguard their future if he does not practice a certain amount of deceit. [Laughter.]

Mr. KVALE. Mr. Speaker, I take it that the gentleman is speaking from personal experience.

Mr. SHANNON. I certainly do, because this income-publicity feature was a law at one time; and when it was put on the books and the publications were carried in our community, I remember quite distinctly when I got home every member of the family said, "Why, you had a great year last year, did you not?" [Laughter.]

Mr. DONDERO. And if they cannot spend it all in the family, then some relative will come along and get you to endorse a note.

Mr. SHANNON. That is correct, too. [Laughter.]

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Speaker, I respect a man whether he agrees or disagrees with me if he is sincere and conscientious in what he says and does. I am going to vote against the repeal of this law because I believe if it is repealed it will be more of a detriment to the people of the United States than a benefit. If this law is repealed, it will be a very difficult task for the Government to check up on the men who make fabulous incomes. For example, we know there is an investigation going on in the Senate concerning munition makers. It would be difficult for the Federal Government to find out what the incomes of those munition makers were last year had it not been for the law which is now in existence. Therefore, Mr. Speaker, I hope that the Members of the House will vote this bill down and keep the "pink slip" in existence.

Mr. O'CONNOR. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker, originally I voted to make these income taxes public. Today I am going to vote for the repeal of this law. [Applause.] My friend the distinguished gentleman from Pennsylvania [Mr. DUNN] calls attention to the fact that they are having an investigation in the Senate. Any information about the income tax which any congressional committee desires to possess it can get, and could get before this law was passed; and if it can be gotten easily by committees of Congress, after observing the results of tax-return publicity, I think that is sufficient. I was impressed by the statement of the gentleman from Indiana, who spoke about the small business man who is trying to get along having his larger competitor count the number of people coming out of the store, spying on him, trying to find out what his costs are, and by this "pink slip" we give this big competitor additional opportunity to put the small man out of business. I do not favor that. I am not worried about these returns being made public as long as Congress can get the facts. I should like to do away with this proposition of racketeers and speculators having an opportunity to go in and look over these income-tax lists and then start to work on the men who have made tax returns. My good friend the gentleman from Texas [Mr. BLANTON] brought up the question about what is an administration bill and what is not an administration bill. I believe that it is the duty of the House of Representatives to legislate as set out in the Constitution of the United States and not to be drawing red herring across the trail by saying the President wants this or the President does not want that.

I refer specifically to two measures; for example, the Wagner-Connelly labor-dispute bill and the Black-Connelly 30-hour work week bill. The President has made no official statement to Congress on either of these bills, and I believe that this House should take up both of these bills and pass them in order to bring peace between labor and capital, and by shortening hours and increasing wages in industry bring back prosperity to the country by putting back to work 11,000,000 unemployed. So I say let us do our constitutional duties as legislators and not be passing the buck continually to the President. I am going to vote for the repeal of the "pink slip" statute because I believe it serves no useful purpose and leaves openings for many harmful purposes.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. CONNERY] has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 1 minute to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Speaker, I believe we are all familiar with the fact that there have been a great many fraudulent things done in dealing with income taxes. I distinctly recall that the gentleman from New York, who is sponsoring this bill, pointed out in his speech made on the floor of this House some time ago that the Steel Trust was refunded \$45,000,000 in 1927, which had been paid in as income tax in 1917. I think it is just as necessary to Government business that the income-tax returns should be made public as that the taxes collected as imposts or taxes and assessments on private property are made public. It is my understanding that public business is the citizen's business. We are dealing with public business, and I think the filing of income-tax returns is public business. [Applause.]

The SPEAKER. The time of the gentleman from Idaho has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. McFARLANE].

WE SHOULD HAVE MORE, NOT LESS, PUBLICITY FOR INCOME-TAX RETURNS

Mr. McFARLANE. Mr. Speaker, the question is, Are we now going to march back down the hill and repeal the "pink slip" law that we enacted last session which requires limited publicity for income-tax returns? At the last session of Congress it was my duty as a member of the House Naval Affairs Subcommittee investigating naval-aircraft procurement to seek information on income-tax returns. After the committee had unanimously selected me to secure the income-tax information of all concerns selling the Navy equipment, I presented the facts to the President, who immediately dictated an Executive order authorizing me for the committee to examine all of these income-tax returns for the information of the committee. After securing the President's approval it took me more than 2 weeks to finally secure the Executive order and to get access to the tax records in the Internal Revenue Department. Every Member of this House is interested in knowing how far we, as Members of Congress, have authority to investigate these tax returns. There is not a Member of Congress who can go down to the Internal Revenue Bureau and check these income-tax returns, except by these methods:

First, by duly authorized resolution passed by one of the Houses of Congress permitting that or by a duly authorized committee of this House, the Ways and Means Committee, which has that privilege. It may also be done by Executive authority of the President. You, as a Member of Congress, cannot get this information. It is denied to you. I say to you frankly and candidly, we are making a backward step if we close the door and repeal the "pink slip" proposition, which would give to everybody who is interested, under proper safeguards of regulations issued by the Secretary of the Treasury, the right to receive this information. What harm can be done? Every one of us has filed our tax renditions, State, county, city, and school, in our own jurisdiction. These tax renditions are all open to the public, and rightly so. None of the greatly magnified injuries or supposed injuries we have heard here this afternoon have happened to anyone because of this information being made public; and these tax renditions contain full and complete



information of all property owned—real, personal, and mixed; these renditions require a statement of all cash on hand as well as a complete inventory of all stocks, bonds, or other property owned. And all this information must be given under oath. No one has ever complained that this information should be kept secret, or that it being made public caused snooping, kidnaping, hijacking, or other crimes of racketeering.

Mr. BEITER. Will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. BEITER. The gentleman says he was a member of an investigating committee investigating for the Naval Affairs Committee last year?

Mr. McFARLANE. Yes.

Mr. BEITER. Would the information contained on the "pink slip" have given the gentleman the desired information? The gentleman knows, too, that the publicity may have a strong tendency to drive capital into tax-exempt bonds and out of taxable investments, which are so necessary to industrial development and increased employment. Such a tendency would further handicap business recovery and reduce the amount of Government income. Is it not true that income-tax returns are filed under oath with penalties for misstatement and that salaries paid by employers, dividends by corporations, and many other payments above a certain amount are reported to the Government, giving revenue officials comprehensive data for checking returns? I again ask the gentleman from Texas, Would not the information contained on the "pink slip" have given him the desired information?

Mr. McFARLANE. No; it would not, but it is a step in the right direction, and we should not repeal a law before we have even had a chance to observe the effect of its operation. Publicity on income taxes has proved beneficial in Wisconsin; it will prove so for the Nation. All of our tax-rendition laws require publicity in our own local communities. All the complaints you have heard today as a basis for repealing this law would apply to all the other information made public by everyone for all taxes we pay at home. I know and you know, our people at home would not permit all our tax renditions at home to be kept secret—and they will not permit secrecy on this when they know the facts.

None of those objections are found to have any merit. It is all a smoke screen sent up by the sentinels of the Republic and other well-financed lobbyists' organizations that have been flooding Congress with unfair and untrue propaganda, trying to hide their ill-gotten gains, as recent investigations have shown the moneyed crowd have been doing.

Mr. MILLARD. Will the gentleman yield?

Mr. McFARLANE. No. I have not the time. I am sorry. I think we should well consider this matter. We ought to give it a chance. We should not repeal the law before it has even had a chance to operate. These propagandists are recommending all income-tax payers not to file this "pink slip" and not give this information. They recommend that right now to all income-tax payers, in open violation of the law.

The SPEAKER. The time of the gentleman from Texas [Mr. McFARLANE] has expired.

Mr. O'CONNOR. Mr. Speaker, I yield one-half minute to the gentleman from Michigan [Mr. Hook].

Mr. HOOK. Mr. Speaker, I am against the repeal of the "pink slip" law. I have just had a letter from my district asking that I obtain from the Internal Revenue Department the income-tax returns of a large corporation for the reason that we want to find out for the State tax commission what their valuation would be. The answer was that we could not go back of the 1934 law. Therefore I am for the "pink slip" law. I am opposed to its repeal.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6359, to repeal certain provisions relating to publicity of certain statements of income.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6359, with Mr. NICHOLS in the chair.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 55 (b) of the Revenue Act of 1934 relating to filing and making public certain income statements is repealed.

The CHAIRMAN. Under the rule the gentleman from North Carolina [Mr. DOUGHTON] will control 30 minutes and the gentleman from New Jersey [Mr. BACHARACH] will control 30 minutes.

Mr. DOUGHTON. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. CULLEN].

Mr. CULLEN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CULLEN. Mr. Chairman, the discussion on the adoption of the rule, of course, was very interesting, and yet in all that discussion there was not any real information given in regard to the "pink slip" law. As a matter of fact, the "pink slip" amendment to the Internal Revenue Act of 1934 was adopted in conference with the Senators last year, as a sort of compromise principle for publicity, notwithstanding the fact that the law today gives you all the publicity that is necessary to have access to in regard to income-tax returns.

By repealing the "pink slip" provision of the income-tax law we are not repealing any publicity provision; what we are doing is taking out of the revenue act the "pink slip" portion of the law. What does the "pink slip" portion provide? It provides simply for the gross income, the deductions, and the tax payable. This does not give any information to anybody; hence the uselessness of it, hence the nonsensical thing of having it incorporated into the tax returns of the taxpayers of the country.

I am not standing before the Membership of this House today advocating evasion of tax returns, because in my experience on the Ways and Means Committee our job is to get all the returns we can into the Government from revenue-producing sources; and, as far as tax evasions are concerned, we plugged those holes up so tight in the 1934 Revenue Act that you could not get a pinhead into any further loopholes in the law. This was done as a result of investigations that were going on throughout the country at that particular time.

The Chairman [Mr. DOUGHTON] of the Committee on Ways and Means worked sincerely and honestly with his colleagues on that committee to plug up these holes so that there would not be any evasion of taxation and so that nobody would be given a chance to get out from under in so far as the income-tax law was concerned. When the bill was in conference between the two Houses the Senate wanted a publicity clause; they were not satisfied with the publicity clause that was written into the law at that time but they wanted something to go out to the country suggesting to the people of the country that they were doing something a little better than what had been done heretofore. As a matter of fact we did not do that, because the "pink slip" is incorporated in your tax return and you have got to sign it and show what your gross income is, what your deductions were, and what tax was payable. That is only duplicating the information you give in your return. So, in the final analysis, we are not repealing any publicity clause because the Secretary of the Treasury, the Governor



of any State, or any official of any State has access to these returns on application.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield.

Mr. McFARLANE. Is it not true that the only Members of Congress having direct access to the income-tax returns were the members of the Committee on Ways and Means; and that prior to the pink-slip law, by Executive order was the only way in which even Members of Congress could secure information concerning income-tax returns and that if we repeal this clause we will be right back in the situation we have been up to the present time?

Mr. CULLEN. The gentleman is entirely misinformed.

Mr. McFARLANE. I will be very glad to be correctly informed.

Mr. CULLEN. The Committee on Ways and Means has access to the returns, and the gentleman has by going to the Committee on Ways and Means, and a Senator has by going to the Finance Committee of the Senate, and the Secretary of the Treasury, and every Governor of every State in this Union, as well as other State officers, has access to the returns.

Mr. McFARLANE. I believe every Member of Congress ought to have that right; and I believe that local communities should have that right to see if these big taxpayers are paying their just part of the taxes.

Mr. CULLEN. Local communities, let me inform my dear friend, have access to the local tax rolls of the States. That is a matter of local purposes insofar as it relates to property. I am content with the publicity insofar as it relates to income-tax returns today without this pink slip, because in the final analysis there is very little suggestion of the confidential relations between the man who files an income tax and the Government itself.

Mr. McFARLANE. Why should they not have the same right to inspect income-tax returns they have as to all other tax records that are filed by the people?

Mr. CULLEN. They have the same right. Let me read the law.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CULLEN. Mr. Chairman, I cannot in 2 minutes read the statement I have here, but I will incorporate it all in the RECORD.

Mr. BLANTON. Why does not the gentleman use his time answering questions and insert the balance of his remarks in the RECORD? Will the gentleman yield for a question?

Mr. CULLEN. Yes.

Mr. BLANTON. There should be no difference between the rights and privileges of Members of Congress. Why should all the other Members of Congress not on the Ways and Means Committee have to go to that committee to get this information? As a matter of right they are entitled to it just as much as is the Ways and Means Committee.

Mr. CULLEN. Answering my dear friend from Texas, the Ways and Means Committee is the revenue-producing committee of this House; it must study this problem and must have access to the returns for the purpose of its study.

Mr. BLANTON. The prerogatives of every Member of Congress ought to be equal.

Mr. CULLEN. Mr. Chairman, I do not yield further.

Mr. Chairman and Members of the Committee, permit me to invite your support of the pending legislation to repeal certain provisions relative to publicity of income-tax returns. I think that the extent of the opposition to this publicity is greatly underestimated. An article in the New York Times of February 24, 1935, said the publicity provision "has precipitated what is probably the most ardent campaign for repeal of legislation since the drive to expunge the eighteenth amendment." Other newspapers of the country, political commentators, the United States Chamber of Commerce, local chambers of commerce, trade associations, and

individual taxpayers by the thousands are united in their demands for repeal.

In my opinion the publicity provided by section 55 (b) of the Revenue Act of 1934 will not expose loopholes in the law or prevent tax evasions.

The law of 1926 will still remain which gives authority to the Secretary of the Treasury to the Ways and Means Committee of the House and the Finance Committee of the Senate as well as Governors and other officials of the States under rules promulgated by the President to have access to income-tax returns.

In that connection let me say that all the loopholes in the revenue act were well plugged in the 1934 act.

It has been definitely shown on a number of occasions that the information contained in the pink slips exposes nothing. No one, not even a trained accountant, or an internal-revenue investigator can tell from the facts disclosed by the pink slips whether a man has made a correct or honest return, or whether he has taken advantage of some loophole in the law. The things actually exposed by the pink slip are as follows: (1) Name and address of the taxpayer; (2) total gross income; (3) net income; (4) total deductions; (5) total credits for purpose of normal tax; and (6) tax payable.

Furthermore, the true way to discover the loopholes in the law and the weak points in the administration of the income-tax law is not to set busybodies and snoopers at work to spy upon their neighbors and build charges of tax evasion upon suspicion, but to improve the administration of the revenue laws. All income-tax returns over a certain figure are now automatically audited by revenue agents, and field investigators examine the books of the taxpayers and have the privilege of interviewing the taxpayers themselves, their agents, or attorneys. Properly managed, this system will reveal accurately and swiftly any wrongs committed by taxpayers and loopholes in the law. I am certain that Government investigators, well-trained and experienced men, certainly are more to be trusted to bring to light the weaknesses in the revenue laws and the misdeeds of taxpayers than an army of gossips or selfish complaints of competitors which are generally based on misleading and meaningless information contained in the pink slips.

There is no doubt in my mind that the cost to the Government of making the pink-slip information available to public inspection will be enormous; and the cost of running down idle tales—suspicious complaints—will be equally great. Frankly, is it worth the cost to the Government during these times of storm and stress to be the instigator of so much ill-will, malice, and revenge in return for such valueless assistance from the public?

I am informed that the only State having an income-tax law which provides for publicity is Wisconsin, and in that State publicity has not helped to prevent tax evasion. I now quote from the 1930 report of the Wisconsin Tax Commission.

I would like to reiterate the principal arguments against publicity have not been answered. It will have the following very dangerous and harmful results:

First. Taxpayers will be subject to so-called "whispering campaigns", instigated by envious persons.

Second. Such publicity will result in a harvest of information for promoters and others, who will use it in harassing and haranguing taxpayers, both large and small.

Third. Competitors will have an unfair advantage in business transactions.

It is obvious from the facts stated that the American public gains no advantage or benefit from this publicity provision; it serves no useful purpose whatever; in short, it is an abomination; and I sincerely hope that the Congress will see the folly of the continuation of such publicity and repeal section 55 (b) of the Revenue Act of 1934.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield to the gentleman from New York 2 additional minutes.

Mr. CULLEN. Mr. Chairman, speaking further with regard to the Wisconsin experience, a report of the Wisconsin



Tax Commission was made to the Governor and legislature of that State by Edward L. Kelley, W. J. Conway, and Charles D. Rosa, commissioners, in 1930. I shall make one or two brief references to it. Under the head of public examination of returns these statements are made:

The repeal of the secrecy clause by the 1923 legislature opened all income-tax returns to public inspection. The repeal was urged and passed upon the supposition that public inspection would result in fewer incorrect returns and in discovering much unreported income. These expected results have not materialized in any degree in the administration of either the individual or the corporation returns. \* \* \*

A survey shows that public examination is almost wholly without any public motive or significance, but that advantage is taken of it to serve purely private and personal interests. Our filed returns are used by credit organizations which have men on hand almost constantly digging into the files. Returns are examined to prepare lists of prospective purchasers of stocks and bonds and for other soliciting and advertising purposes. A common use of returns is to secure information in negotiating for the purchase of business properties, and very frequent use is made of them in delving into the intimate concerns of business competitors. Many such examinations are by competitors from without the State who offer the Wisconsin business no such reciprocal information or advance. Income-tax files are also frequently used for information in court actions and many examinations are made out of curiosity, and at times for the sole purpose of annoying and harassing a reporting taxpayer.

Mr. BACHARACH. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. ANDREWS].

Mr. ANDREWS of New York. Mr. Chairman, I merely want to place myself on record as being unqualifiedly in favor of repeal of the "pink slip" provision. As one of the gentleman from New York stated, it is apparent that the Bureau of Internal Revenue would favor repeal of this provision. I have a letter from the Acting Secretary of the Treasury in which it is stated that the Treasury will carry out both the letter and the spirit of whatever policy the Congress deems wise in relation to this matter and there is enclosed a brief history of section 55 (b) of the Revenue Act of 1934. It occurs to me the development of this legislation, as it is outlined in this communication, would be of interest to the Congress.

Mr. Chairman, I ask unanimous consent to insert as a part of my remarks a history of section 55 (b) of the Revenue Act of 1934, which comes from the Treasury Department.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to is as follows:

#### HISTORY OF SECTION 55 (B), REVENUE ACT OF 1934

Section 55 (b) of the Revenue Act of 1934, reads as follows:

"Every person required to file an income return shall file with his return, upon a form prescribed by the Commissioner, a correct statement of the following items shown upon the return: (1) Name and address, (2) total gross income, (3) total deductions, (4) net income, (5) total credits against net income for purposes of normal tax, and (6) tax payable. In case of any failure to file with the return the statement required by this subsection, the collector shall prepare it from the return, and \$5 shall be added to the tax. The amount so added to the tax shall be collected at the same time and in the same manner as amounts added under section 291. Such statements or copies thereof shall as soon as practicable be made available to public examination and inspection in such manner as the Commissioner, with the approval of the Secretary, may determine, in the office of the collector with which they are filed, for a period of not less than 3 years from the date they are required to be filed."

Except for subsection (b), there is no substantial change in section 55 as respects publicity of income-tax returns over corresponding sections of prior revenue acts, beginning with the Revenue Act of 1926.

Subsection (b) was inserted in the Revenue Act of 1934 by the committee of conference (see Conference Report, House of Representatives, No. 1385, re amendment no. 38, at pp. 4 and 19). There was no similar provision in the House bill (H. R. 7835). However, the Senate did amend section 55 by providing for publicity of returns. The amendment, as offered by Senator LA FOLLETTE and adopted by the Senate (see p. 6546 of the CONGRESSIONAL RECORD, 73d Cong.), provided:

"Returns made under this title upon which the tax has been determined by the Commissioner shall constitute public records and shall be open to public examination and inspection under rules and regulations promulgated by the Secretary and approved by the President."

The action taken by the conferees appears to have been in the nature of a compromise, which does not give publicity to income

returns, but provides for publicity of the statement required to be filed with the return, which statement gives information as to the following items taken from the return: (1) Name and address, (2) total gross income, (3) total deductions, (4) net income, (5) total credits against net income for purposes of normal tax, and (6) tax payable.

Under section 55 (b) the publicity of the statement required thereunder seems to be mandatory as far as the Treasury is concerned:

"\* \* \* Such statements or copies thereof shall as soon as practicable be made available to public examination and inspection in such a manner as the Commissioner, with the approval of the Secretary, may determine, in the office of the collector with which they are filed, for a period of not less than 3 years from the date they are required to be filed."

Pursuant to section 55 (b) of the act, Treasury Decision 4500 was approved (Internal Revenue Bulletin, vol. XIII, no. 51, p. 2), in which form 1094 was prescribed as the form for the statement required by such action. It was also provided therein:

"Within a reasonable time after the income return is filed, the statement on form 1094, or a copy thereof, under such procedure as may be prescribed by the Commissioner, shall be available for public examination and inspection in the office of the collector for the district in which the return and statement were filed."

Mr. BACHARACH. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, the object of this bill is to repeal the publicity feature of the income-tax law; in other words, do away with the "pink slip" provision and inquisition into the ordinary fellow's income. There is not any good purpose served by the provision. As the gentleman from New York [Mr. CULLEN] told us, the Congress can get all of the information it needs and it ought not to have the privilege of prying into peoples' income in order to publish it promiscuously. This is a serious embarrassment to the small merchant, to the professional man, and especially to the farmer who only occasionally has a good year when he might have to use anything of this kind. We ought to do away with this inquisition business. There is nothing to it as far as the rich are concerned, because we already have in New York State a tax of 60 percent, including the State and Federal income tax, on every single man who has an income above \$100,000 a year. Where he has an income of over a million dollars it runs up to a tax of 75 percent. In the other States where they have no State income tax, it runs from 60 to 75 percent. That is all the tax that anybody ought to expect from those who have the large incomes and there is no useful purpose to be served. On the contrary it is just an annoyance and the "pink slip" provision ought to be repealed.

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. WITHEROW].

Mr. WITHEROW. Mr. Chairman, whatever the outcome of the vote on the repeal of the publicity on Federal income-tax returns, it will have no effect upon the income taxpayers of the State of Wisconsin, because we of Wisconsin will continue to have the publicity feature in our State income-tax law. However, the State of Wisconsin has been mentioned several times in this argument, and it has been said that the income-tax law of the State of Wisconsin has been unfair and that it has not been successful.

Mr. Chairman, that is not true and is not borne out by the facts, notwithstanding that a purported report of the tax commission has been read to you. That subject will be covered by my colleague, the gentleman from Wisconsin [Mr. SAUTHOFF], if he is fortunate enough to be allowed time to cover the matter.

The Legislature of the State of Wisconsin has met repeatedly since the enactment of the Wisconsin publicity feature and at every session has retained the publicity feature by an overwhelming majority.

Those who argue for the repeal of the publicity of Federal income-tax returns give two reasons. One is that it would encourage and aid racketeers, gangsters, kidnapers, and other criminals. The second is that it does not protect four-flushers who seek to palm themselves off as men of means.

Mr. Chairman, the argument that publicity of income-tax returns would encourage kidnaping is extremely ridiculous. In Wisconsin our income-tax returns have been available to the public for many years, still we have never had a case of



kidnaping in our splendid State nor have we ever had any other crime in which the publicity of income-tax returns was a factor. Only a fool would believe that a criminal would submit to the registration and identification necessary in Wisconsin before he would be permitted to examine any income-tax return. Similar requirements for registration and identification are possible to the Secretary of the Treasury under the present Federal statute.

As to the second argument, I want to say that our honest, patriotic, taxpaying citizens should be entitled to protection from fourflushers who pose as men of means and seek to deceive their neighbors by subterfuge and trickery.

No honest individual or corporation with good credit has anything to fear from publicity of income-tax returns. Publicity can do them nothing but good. Who is it, then, who seeks to keep income-tax returns secret?

From all I can discover this repeal agitation has been generated almost entirely by an organization called the Sentinels of the Republic. The activities of these self-styled Sentinels of the Republic better qualify them for the title of "sentinels over the pocketbooks of J. P. Morgan, Andrew Mellon, and every other notorious tax evader." The Sentinels of the Republic boast that they were instrumental in defeating the child-labor amendment. Certainly such valorous service to humanity qualifies them to fight in favor of the tax-dodging special interest and against every honorable and desirable enterprise.

There is no reason why any public or Government business should be conducted on a secret basis. There is no more justification for secrecy in income-tax returns than there would be for secrecy in real-estate tax assessments.

Behind the cloak of the Sentinels of the Republic all tax dodgers and fourflushers have gathered to hide from their neighbors those facts which all are justly entitled to know. It will not help our honest taxpaying citizens to allow J. P. Morgan, Andrew Mellon, and others to continue their tax-evasion tactics.

It has been stated that Mr. Alvin Johnson, of the Wisconsin Tax Commission, believes the Wisconsin publicity features to be undesirable. In my opinion, Mr. Alvin Johnson is not in any way qualified to express an opinion on the success of any feature of the Wisconsin income-tax laws. Mr. Johnson is the youngest member of the commission. He has had very little experience on which to base his judgment, and his statements have been repudiated by the other two members of the commission in telegrams to Wisconsin Members of Congress.

The experience of the State of Wisconsin is referred to because Wisconsin is the only State which requires that income-tax returns be available to the public. The State of Wisconsin can be pointed to with pride as an example of many other laudable things. Let me remind you that in the State of Wisconsin, where the Sentinels of the Republic would have you believe crime is encouraged by income-tax publicity, we have one of the lowest crime rates in the Nation. The city of Milwaukee stands head and shoulders above other cities of the Nation in its freedom from crime, its splendid civic conditions, and civic pride and spirit.

In Wisconsin we believe in making it difficult for criminals and fourflushers to impose on honest citizens. The Wisconsin law providing for publicity on income-tax returns is one of the means by which we make it difficult for criminals and fourflushers to exist in Wisconsin.

It would be most wholesome if the Federal Government would follow the Wisconsin law, not only on income-tax publicity, but also on many other subjects. In my opinion, we have had enough of secrecy and trickery in the manipulations of the Federal Government. The people of this Nation will never get a new deal or a "square deal" as long as secrecy and double dealing is allowed to continue by the Federal Government. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield one-half minute to the gentleman from Wisconsin [Mr. WITHROW] to answer a question?

Mr. KELLER. Yes; I yield.

Mr. RANDOLPH. May I ask the gentleman from Wisconsin just what has the Wisconsin Tax Commission actually recommended?

Mr. WITHROW. That will be covered by a gentleman from the State of Wisconsin. As a matter of fact, that report is entirely in error. Two of the three Commissioners whose names appear on that report have sent telegrams to the effect that the publicity feature is entirely desirable, that it is not unfair and that it has been a success in the State of Wisconsin. If we get the opportunity—and by the way, we have not yet been allowed the time to do so, we will show that to be the case.

Mr. KELLER. I just want to call your attention to a few simple facts. We have never tried out the pink slip. The law was enacted last year. There has been no pink slip handled by the Government so far, unless we count those that have been sent in within the last few days.

I have here the ordinary form of income-tax return that we are all filling out, and I also have here the pink slip that gives the information required under section 55 (b) of the law of 1934.

We do not know what is going to happen to this. We do not know whether it is good or whether it is bad, and any man who stands up here and gives an opinion knows no more about it than I do when I express an opinion. I am going to give my opinion that none of us know anything about it until we try it out.

Apparently the gentlemen would have us believe that the kidnapers and racketeers have been conducting a bureau of information down here, using the information on pink slips when there are no pink slips yet in use. I presume that the kidnaping done heretofore has been done on the strength of the future coming in of this kidnaping pink slip. Quite remarkable to say the least, is it not? What foresight these child stealers must possess. I reckon the Secretary of the Treasury is expected by these same gullible souls to operate a special bureau to get these informative pink slips to our kidnapers, if Congress fails to take them away from him promptly.

It is ridiculous and it makes it appear ridiculous when we stand here and put forth such an argument as this. The gentleman from Wisconsin just told us the facts and I now want to call your attention to what would be necessary and I want you to get the law itself, and here it is:

Such statements or copies thereof shall, as soon as practicable, be made available to public examination and inspection in such manner as the Commissioner, with the approval of the Secretary of the Treasury, may determine in the office of the collector in which they are filed for a period of not less than 3 years after they are required to be filed.

In other words, they will make just such rules as they please and when you are talking about rules to give information about income taxes, I want to call your attention to regulation no. 69, which I hold in my hand, about 200 pages of rules. Go down there, some of you men who are in Congress, and try to find out something about income taxes. This is the first regulation and then I hold here regulation no. 86, about 150 more pages of rules in relation to the present revenue law of 1934. It is a volume in itself, and it is entirely impossible for any man to go down there and get information at the present time, and when I called the Department to talk about this matter they said they were having a great deal of discussion about it, but had made up no opinion on how they would give out this information.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Yes; I yield.

Mr. BLANTON. If the racketeers are racketeering in fixing up these rules and regulations the Secretary of the Treasury and the Commissioner of Internal Revenue could require every racketeer to furnish his fingerprints, could they not?

Mr. KELLER. Yes; and anything else they might require.



Mr. BLANTON. That would be a good way to get a few of them caught.

Mr. KELLER. It would be the best thing in the world if you could get a racketeer in that way, because you could throw him in jail before anyone could say "scat." The truth of the matter is that this is not a matter of protecting us against racketeers or kidnapers. The truth of the matter is the big rich of this country are coming back into making a lot of money again, and I am not blaming them for it—I am not against the rich men, I am not against wealth—God knows I am for it, 100 times more than we now have. But I believe in dividing it differently.

I want to call attention to the fact that, as a matter of history, during the entire period from 1861 to 1871, our first income-tax law, the income-tax lists were printed and published, giving full information. The corporation tax law of August 5, 1909 (36 Stat. 11) provided specifically that "the returns \* \* \* shall be filed in the Office of the Commissioner of Internal Revenue, and shall constitute public records and shall be open to inspection as such." And this provision for publicity of income-tax returns was observed. It will be observed that the payers of income tax have become finicky about publicity of income-tax returns in recent years. And be it further observed that during this touchy period the Government has been cheated and defrauded out of enough income tax due under the law to have taken care of all our deficits since the panic of 1929 to the present time. I called attention to this entire matter in an address on the floor of this House on the last day of the last session of the Seventy-second Congress.

It is universal knowledge, and is always noted in the newspapers, that during the first part of each year the stock markets are so rigged as to openly defraud the Government of the income taxes due it.

Yet this House of Representatives is rushing madly to prevent its Members and everybody else from getting the facts in relation to income taxes.

Publicity—pitiless publicity—is, always has been, and always will be the one best method of preventing fraud in governmental matters. The tender solicitude of this body for those who do not want anybody to know what their taxes are, to me is an astonishing matter. [Applause.]

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. MILLARD].

Mr. MILLARD. Mr. Chairman, the gentleman from Illinois a few minutes ago said that this is a Republican measure. The gentleman from Texas made the same statement.

Mr. KELLER. I did not say so. No; Mr. SABATH, of Illinois did.

Mr. MILLARD. I should like to inquire of these gentlemen when BOB DOUGHTON, JOHN O'CONNOR, TOM CULLEN, and the rest of the Democratic members of the Ways and Means Committee became Republicans?

This is not a Republican measure, but one absolutely non-partisan. If you believe this is a vicious act, as I believe, vote against it. If you believe, as I believe, it is not fair, it is not American, it is unjust, vote against it.

Now, just a word about the State of Wisconsin. I have a letter here dated March 1, 1935—not 1930—referring to this report, and I will leave out the first part because I have only 1 minute left:

Experience has taught us this is not a true adjunct to the disclosure of any additional income and has become a source of nuisance by credit agencies, bond salesmen, and business competitors. We have had no instances where public inspection has brought forth unreported incomes, and although a matter of conjecture, we believe that it has retarded the making of complete returns. It has worked to direct disadvantage so far as the Federal Government is concerned. Our income-tax returns being open to public inspection, it has become the custom of the Federal Government, instead of making separate audits, to accept the audits made by the Tax Commission and upon the basis of these audits of the State of Wisconsin, they can file a lien under our law on its own behalf superseding our lien.

Twenty-nine States have some form of income tax—28 States have no "pink slip" provision—Wisconsin has. Are the 28 States wrong and Wisconsin right?

I am strongly in favor of the repeal of this provision.

Mr. CANNON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MILLARD. Yes.

Mr. CANNON of Wisconsin. I wish to say to the gentleman that regardless of the recommendation that has been made by the Wisconsin Tax Commission, that law will not be repealed.

Mr. MILLARD. That may be true.

Mr. DOUGHTON. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, I want to correct an erroneous impression created about Wisconsin by reading two telegrams relating to the Wisconsin situation. This telegram, dated March 8, 1935, is a strong expression in favor of publicity of income taxes, and is from a man who has been 14 years on the Commission. It is as follows:

MADISON, WIS., March 8.

HON. HARRY SAUTHOFF,

Congressman, Washington, D. C.:

Cannot express myself too strongly in favor of publicity of income-tax returns. Fourteen years on the commission, 2 of them while a secrecy statute was in force, have convinced me that secrecy makes administrative bodies star-chamber courts. Under secrecy graft, racketeering, crookedness, favoritism, and incompetence can run riot without effective check. Publicity aids materially in effective administration and contributes in making the tax equitable and acceptable to a very large majority of taxpayers. No reason can be advanced for secrecy of the processes imposing an income tax which cannot also with equal weight be advanced in favor of secrecy of the processes imposing any other tax. To make all tax processes secret would mean that democracy has gone far in surrendering its most effective and salutary sovereign power.

CHARLES D. ROSA,  
Member Wisconsin Tax Commission.

[Applause.]

Here is another:

MADISON, WIS., March 11.

Congressman HARRY SAUTHOFF,

House of Representatives:

Am decidedly in favor of publicity on income-tax returns. Wisconsin, a pioneer in such legislation, has demonstrated from experience under publicity law, as well as secrecy law, that best results attained under publicity law. Am convinced secrecy clause will never be restored here. Light of publicity strongly contributes to filing of honest returns. Recent disclosures before United States Senate committees indicate abuses of secrecy clauses. If publicity permitted to any extent same should be carefully safeguarded in the public interest. Reciprocal examination of State and Federal tax returns by proper representatives of both governments should not be restricted. See also section 7120, Wisconsin Statutes.

W. J. CONWAY,  
Chairman Wisconsin Tax Commission.

I want to add one more thing, that we repealed the secret clause in 1923 and we collected \$9,000,000 of back taxes as soon as we repealed it. That is the answer. [Applause.]

What is the history of the United States in respect to publicity of income-tax returns? Here is an editorial written by Horace Greely in the New York Tribune of May 24, 1866:

The Evening Post has a Washington dispatch which says:

"The Committee on Ways and Means have agreed to an amendment of the tax bill providing that lists of income shall not be published nor furnished for publication, but they shall be open to private inspection at the office of the collector."

We would like to believe this untrue. We believe that publicity given to the returns of income submitted by individuals to tax gatherers has already put millions of dollars in the Treasury and gone far toward equalizing the payments of the income tax by rogues with that of honest men and saved thousands from being imposed upon and swindled by false pretenses of solvency and wealth made on purpose to incur debts preordained never to be paid. The knave who sought credit on assumption of wealth belied by their returns of incomes, of course, hate publicity given to those returns, but why should any honest man seek to pass for any more (or less) than he is worth?

On January 26, 1865, the New York Tribune said:

We learn that the publishing of the list of income-tax payers in this city, against which there has been so much absurd outcry, is likely to prove beneficial to the revenues as well as the consciences of some of our best citizens. Already, as we understand, considerable sums have been returned to the assessors and paid to the collectors by persons who have discovered errors in their original returns of incomes since the publication of the lists referred to, and assessors have received valuable information in reference to the incomes of some gentlemen who should but have not yet amended their returns.



A vigorous and determined fight to prohibit the publicity of income-tax returns was waged until at last the jugglers and dodgers of income taxes finally succeeded in keeping secret whatever sums they saw fit to place in their blanks.

The distinguished minority leader [Mr. SNELL] is a member of the Republican Party. Let me read to the members of that party what one of their greatest and ablest leaders had to say, the late Benjamin Harrison. No one on either side of the aisle can deny that President Harrison was a great lawyer and a keen analyst of his times, a student of public affairs, and a statesman of rare ability. On February 22, 1898, President Harrison said:

We live in a time of great agitation, of a war of clashing thoughts and interests. There is a feeling that some men are handicapped; that the race is sold; that the old and much-vaunted equality of opportunity and of right has been submerged. More bitter and threatening things are being said and written against accumulated property and corporate power than ever before. It is said that, more and more, small men, small stores, and small factories are being thrown upon the shore as financial drift; that the pursuit of cheapness has reached a stage where only enormous combinations of capital, doing an enormous business, are sure of returns.

The plea of business privacy has been driven too hard. If for mere statistical purposes we may ask the head of the family whether there are any idiots in his household and enforce an answer by court process, we may surely, for revenue purposes, require a detailed list of his securities.

It is not only wrong but it is unsafe to make a show in our homes and on the street that is not made in the tax return.

I have selected these various quotations, Mr. Chairman, from the address of the late Robert M. La Follette, delivered in the Senate of the United States on September 29, 1921. No man can say that Benjamin Harrison was a radical. When he warned us of our folly 35 years ago, how much truer do his words ring today.

There is another point which I wish to point out. In Wisconsin property taxes run from 65 to 75 percent of the total tax. Income taxes run about 18 percent. The records of the properties and their worth of the 70 percent are open, why not the records of the 18 percent? Is there anything sacred about them that their taxes must be immune to the vulgar gaze or are they so sensitive that they shrink from the publicity? Had it not been for senatorial investigations we should never have known that Mitchell, Mellon, and Morgan were tax dodgers. Let us have more light instead of less.

Another point, Mr. Chairman, has been advanced, to the effect that gangsters, racketeers, and kidnapers would look up returns and get valuable information as to where to strike. The best answer to that argument is the city of Milwaukee. It has a population, in round numbers, of 600,000. It is the thirteenth city in size in the United States. It is the seventh in commercial importance. Its annual industrial output amounts to one and one-quarter billions of dollars, yet its crime record is the lowest in the United States. There has been no kidnaping in Milwaukee, to my knowledge. If I am in error, I trust my colleagues will correct me. Where is there a more law-abiding State than Wisconsin, and yet we have had publicity of income-tax returns since 1923. So you see that argument is not sound.

It is said that only 5 percent of the population of the United States pays any income tax. Why should these names and amounts be kept secret? We seem very deeply concerned about their being thrust into the limelight. How about the 20,000,000 that are on relief? Is anyone concerned about their distress, their misery, and want, being in the limelight? How about the bread line? No one seems to feel sorry that those in the bread line stand out in full view of passers-by.

As the late Senator La Follette said, taxes are public records, and therefore the public should have access to them. The records of the probate court are public. Anyone can look up an estate, read the testator's will, examine the inventory of what he left behind, and read the final judgment to see what became of the property. That is not secret. Neither is the criminal court record secret, nor the divorce

court. You can read it all if you wish, because it is a public record. You can go to the city clerk's office and examine the city tax rolls, and you can go to the county courthouse and examine the rolls of every farmer in the county. Why not income-tax returns? This is one of the sacred cows that is taboo. You of lesser clay must not touch the sacred cow. She is beyond the pale of ordinary mortals and stands apart.

Mr. BACHARACH. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, it seems to me that the two telegrams read by my colleague [Mr. SAUTHOFF] pretty well answered the question as to whether or not publicity of tax returns is working out satisfactorily in the State of Wisconsin.

I want to call attention to the fact that the gentleman from New York [Mr. SNELL] said in his remarks a few moments ago that the report of the tax commissioner of the State of Wisconsin and the opinion of the tax commissioner pretty well settled this matter. He quoted from a report made October 15, 1930.

I call attention to the fact that the two telegrams which have just been read by my colleague were sent by members who were on the tax commission at that time and are still on that commission, and who know more about this matter than anyone else in the State of Wisconsin, and they are in favor of publicity.

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Oh, my time is too short.

Mr. MILLARD. The letter that I received is from the third man on the commission.

Mr. BOILEAU. Yes; a gentleman who was appointed just a couple of years ago by an administration that was—

Mr. TERRY. Reactionary?

Mr. BOILEAU. The gentleman here suggests the word "reactionary."

Mr. MILLARD. Democratic?

Mr. BOILEAU. Yes; and that is one of the reasons why we have a Progressive Party in Wisconsin today. I say further that the report dated October 15, 1930, was just about 30 days after that administration had been repudiated in the September primaries. Since that time two different administrations, a Progressive administration and a Democratic administration, have actually ignored that report and have made no change in the law. That report was made while the State was under the control of a conservative Republican administration. There have been two administrations since that time, and they have not changed the law. There is not a political leader in the State of Wisconsin today who dare go on the stump and say he favors secrecy of public business or secrecy of income-tax returns. The State of Wisconsin has been the political laboratory of this country for many years, and many a piece of legislation that we have enacted into law in Wisconsin that were called "radical and unsound" by the opposition have since been enacted as the law in most of the other States, and I predict it will not be long before the American people will make the demand so clear that we will have a Federal law providing for publicity of income-tax returns. This "pink slip" provision is far from being as good a law as we have in Wisconsin.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. No; I am sorry. It has a few features that could be improved, but the worst of all is that it does not give enough publicity; and, instead of repealing the little concession that the people have gotten through the years from the Congress, we ought to amend it to encompass the provisions that were acted upon favorably in the Senate last year, the original La Follette amendment, that would give real publicity; that would give all the story; that would let the people of the country know something about who is paying taxes, and why the Morgans and some of the rest of them have been able to avoid paying any taxes whatsoever. The people have the right to examine public records and to know who are paying their share of the taxes.



The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Chairman, I rise in favor of the enactment of this bill. As I recall the purpose of the Revenue Act of 1933, and I was a Member when that was passed, it was to avoid in the future the possibility of rich men evading the payment of an income tax. That law has taken care of that situation entirely in my opinion. It was a question of the state of the law, which allowed people to have incomes and not pay income taxes. That the Democratic Party in the last Congress took care of amply. However, we attached to that law this piece of legislation that permits anybody to investigate what his neighbor's income is. There is nothing unusual about the fact that your neighbor cannot find out what you are doing in a private way. That is fundamental with the Anglo-Saxon philosophy of government. So far as public servants are concerned, the public has a right to know everything about them, but so far as the private citizen is concerned, he is entitled to cherish his own private affairs in his own family circle. If you go to the Patent Office today and try to find out what your neighbor has succeeded in getting from the Patent Office in the way of letters patent, you cannot find it out. If you go to the Department of Justice and try to find out something about an investigation of your neighbor, you cannot find it, and rightly so. You cannot go to the State Department when it is undertaking an investigation of a private citizen or a corporation in this country and find out any facts they have before them. There is nothing unusual about keeping from the public certain information.

The arguments that I have heard this afternoon are arguments that pertain to a man who has an income. Mr. Jones does not need to know the extent of his neighbors' income during the past year. But let us look at it in this way: Suppose he has no income, and he has a big business and he has credit established at his bank. He does not want the fact disclosed overnight that he has not made a profit in the last year because all those credit facilities would be withdrawn from him.

Mr. Chairman, I favor the repeal of this law.

Mr. BACHARACH. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, in view of the temper of the House I believe any expression of opposition to this bill is perhaps without any particular purpose, but I cannot permit this measure to be rushed through in this hysterical manner without voicing my protest.

I came here as a young man and served my father as his secretary, if I may be pardoned that personal note. I sat in the gallery and watched this fight year after year for the retention of the very principle of publicity of income-tax returns.

I saw it reach its culmination a year or two ago in the startling and shocking revelations of many of the evasions and subterfuges that the rich of this land were resorting to to escape the payment of income tax. That was the real reason for writing this provision into the law.

I am willing to grant that this present "pink slip" system is not fair. It pillories the honest taxpayer in many instances and permits the dishonest taxpayer to escape any criticism. It does not achieve in full the purposes for which it was intended. It should be amended and corrected, but this certainly is not the manner in which to do it.

If no one else proposes to do so, I shall at the proper time offer a motion to recommit this measure to the Committee on Ways and Means, in order that we may correct some of the abuses and injustices, but in order that we may not throw this entire principle out of the legislative window, so to speak, at a time when the country can ill afford to believe that we are sheltering and pampering the wealthy and those who are able to assume their burdens of government, instead of doing as we ought to do, reach out and

assess upon them a more proportionate share of the cost of government. I hope, for that reason, that we can give serious attention to some motion to recommit this measure and that the committee can give it further study.

Mr. CANNON of Wisconsin. Will the gentleman yield?

Mr. KVALE. I yield.

Mr. CANNON of Wisconsin. Does not the gentleman believe that the wealthy of this Nation, even to a man, stand in favor of the repeal of this bill?

Mr. KVALE. I would say perhaps that is true, but that does not give us any reason to believe it is proper to do so in this manner and at this time. I can see reason for the criticisms leveled against the "pink slip." I can see the reason why a mere statement of the gross income, the deductions, and the tax which the taxpayer must pay, is not sufficient information by which anybody can base a logical estimate on a man's taxability or the honesty of his return.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. KVALE] has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 1 minute to the gentleman from Maine [Mr. HAMLIN].

Mr. HAMLIN. Mr. Chairman, I wish to put myself on record as favoring the bill which the gentleman from North Carolina [Mr. DOUGHTON] has brought in against this "pink slip", which it seems to me should be colored yellow. [Applause.]

We are having too much publicity already. I do not know but what perhaps I may be gesturing toward the Senate now, but I think we are having too much publicity. I believe that this administration, in which I believe more than I ever did before, is moving toward private men running their own business in their own way, and that is the principal reason why I am opposed to the "pink slip." [Applause.]

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. DOUGHTON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Chairman, the protests I have been receiving from California against this "pink slip" law, as it now stands are not inspired by any propagandists. They are inspired by people who will have to have the bare facts of their income, or their lack of it, the deductions they claim, without any explanation of what those deductions are, and the tax they pay, revealed to the eyes of any inquisitor.

This morning I received a letter from a farmer in my district urging the repeal of section 55 (b), and I wondered why I had received it, because for several years past he has not been in a position to pay any income tax. When I realized that while he had no net income and so no tax to pay, his gross income was sufficient so that he would have to file a return, and therefore his present pitiable condition would be revealed to his associates and to his competitors.

Mr. Chairman, this is one of the most unfair pieces of paper that has ever been submitted for any man to fill out for his competitors, and the public generally, to gaze upon. It requires the taxpayer to list the gross income; on the second line the deductions, but please remember these deductions are those allowed by the income-tax law and do not include many items of real expense.

If you have paid a Federal income tax the previous year, you cannot deduct that on your income-tax return, so that it would not show up on your "pink slip." If you have paid taxes for local benefits, they would not be deducted on your income-tax return, and so would not show on your "pink slip"; yet they are real items of expense.

If you have had living expenses in excess of the exemptions allowed by the income-tax law, however modest they be—and I do not think anyone claims our exemptions are overgenerous to the head of a family—they will not show up. So in numerous other matters of expense which are paid out, but which are never reported in the income-tax return because they cannot legally be "deducted" and never will show up in this "pink slip." It is an untrue picture.



If such a picture ever goes to the public, the farmer who, as the gentleman from Ohio pointed out, has to fill out an individual statement for each of his farms, for example, would never be understood by the public. In most cases he has sustained losses for years past. If by virtue of our recovery program and returning prosperity he has actually made a profit in 1934, it is probably being used to pay up old debts. Yet every high-pressure salesman will be sure to attack his pocketbook because of the report of what has been his gross income in 1934. Under no circumstances at the present time can the farmer have a fair picture rendered by this "pink slip" return.

Mr. CHAIRMAN, it is not only the farmer or the small man in business whom I desire to picture to you who will have an unfair situation revealed, but it is the doctor who may one year receive a great deal of income and the next year may have no paying patients and therefore may be thought to be losing ground. Young men who are just starting out in life will be embarrassed in any undertakings they may start on, because their small income will be revealed to those who are older and who are their competitors.

Mr. BEITER. Will the gentleman yield?

Mr. BUCK. I yield.

Mr. BEITER. The gentleman knows it is absolutely impossible to arrive at a fair judgment morally, much less legally, without detailed information of the deductions and credits which are hidden by the "pink slips."

Mr. BUCK. I thank the gentleman for his contribution. The whole proposal is unfair. This is one of the most unfair pieces of legislation that were ever adopted in Congress, because an untrue and impossible picture of what the actual situation of a man's real income is, is all that will be gathered.

Mr. DONDERO. Will the gentleman yield?

Mr. BUCK. I yield.

Mr. DONDERO. Can anyone take the floor of this House and show what good purpose this serves to the Government?

Mr. BUCK. I have listened to the debate all afternoon and I have not heard anyone show that yet.

Mr. DONDERO. And the gentleman has not heard one?

Mr. BUCK. I have not, sir.

In conclusion, I wish to say that those who have been hearing from home have not been hearing from a mass of propagandists, but from the tiller of the soil and the small business men. Not one of the letters I have received has been from any man of wealth. Your salary and my salary as Members of Congress are known to the public. So are most of the salaries paid by large corporations. In fact, under the new securities legislation they are all known. But it is the man just getting back on his feet who is afraid of prying snoopers who has written to you and to me to have this law repealed. I only wish it were possible to secure a unanimous vote this afternoon in favor of repeal.

The CHAIRMAN. The time of the gentleman from California [Mr. BUCK] has expired.

Mr. BACHARACH. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, I am certainly in favor of leaving the "pink slip" law, though it is a mighty poor substitute for real publicity. I remember a few years ago a play on the American stage built around the plot of a young man who bet all he had that he would truthfully answer every question asked him for 24 hours. The first question asked him was: "Did you tell the truth in your last income-tax report?"

"No," came his reply. "Did you?" I often think of it. No one can estimate the many evasions in income-tax reports.

In 1923 I forced the enactment of an income-tax law in the State of Oregon. I was Governor then; and as chairman of the commission which enforced that law I saw its good effect. When passed no one estimated that we would be able to collect \$1,000,000. The first year, however, we collected \$3,000,000; and that year's experience as the chairman of the tax commission convinced me that pitiless publicity was necessary to bring about the filing of reasonably

honest returns. Nothing the wrongdoer fears more than publicity. Think of the salaries and subsidies taken by the officers of great companies like the Steel Trust, the tobacco company, and similar companies. If there had been pitiless publicity of income-tax returns such practices would have come to light long before they did. We are on too dangerous ground as a Nation to be putting in time on this matter here in Congress with 11,000,000 people today out of work. All that is asked for in the "pink slip" is a statement that any honest man or firm should be willing to make. What can the harm be? Nothing. Had real publicity been given to all tax matters there would have been millions more paid in each year. Had we had publicity the big boys would have been able to draw back out of the United States Treasury but a small part of the four thousand million that they did filch out of the Treasury of the United States in a period of less than 10 years. If you want a really honest income-tax law, give publicity, yes, real publicity, to the tax returns.

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I made a few remarks on this subject some weeks ago, and I then reminded the House that on reading the debates carried on at the time when the constitutional amendment providing for the income tax was first presented, I learned that assurances were given the public that the income tax would never be applied except in time of war or dire distress; and secondly, that publicity would not be tolerated. In 1912, when the matter came before the Massachusetts Legislature, of which I was then a member, and one of a strong Republican majority, the fight was led, of course, by the Democrats, it being a Democratic measure. We were assured by those Democratic speakers in no uncertain terms that it would never be permitted to become an annoyance, so far as publicity was concerned. I very well remember that debate, since I was exceedingly interested in the whole subject. We had this publicity feature in 1924. Are we to be forgetful of its effect at that time?

One of the two largest Boston newspapers took great delight in publishing the information, and the first names presented to the view of the public were those of the State's 16 Congressmen. Of course, I, like others, probably enjoyed reading about the incomes of my own colleagues, but I did not get so much pleasure in seeing the publication of my own. I can speak freely today, because the only thing I feel ashamed of this year in relation to the "pink slip" is the little amount I shall be called upon to pay this year; I do not want it to be seen. I am not afraid of racketeers or salesmen, but do not wish to see it published, nevertheless. Is our memory lacking that in 1924, when it was tried out, it properly enraged the public to such a degree that it was speedily repealed? Let us allow that lonesome political party in Wisconsin, whose members here have never been either Democratic or Republican, as we now see it, to pursue this inquisitorial procedure if they desire. They engage in much criticism of both the major parties, and I congratulate them on having this sort of an issue.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I am glad to yield.

Mr. KVALE. Will the gentleman include the Farmer-Labor Party also?

Mr. GIFFORD. I know but little about that party. [Laughter.] I am sure the members of that party are all very delightful personalities, but they are mistaken in judgment in their attempt to force this publicity. How do you enjoy having the local newspapers in your county go to the registry of deeds and look up your mortgages and each week parade to public view the fact of the mortgage you have placed upon your property? Some newspapers regard this as news, but the vast majority of newspapers do not consider it quite ethical to publish this sort of information. Those who have good reason to know and who ought to know can go to the registry of deeds and find out, and those officials who really need to know about your income-tax



returns, the proper officials of the Government, will still have access to these returns; that should be all the publicity necessary, all to which the taxpayer should be subjected.

Mr. KVALE. Mr. Chairman, will the gentleman yield further?

Mr. GIFFORD. I yield.

Mr. KVALE. Does the gentleman want to discontinue the practice of publishing property-tax returns in the city and the country weeklies throughout the United States?

Mr. GIFFORD. I do not mind that; everyone knows the rate of tax; everyone knows what the property is worth; it is not comparable at all with income publicity. The extent to which some person is successful or unsuccessful is not necessarily the business of his neighbors.

[Here the gavel fell.]

Mr. BACHARACH. Mr. Chairman, I yield the balance of my time to my colleague on the committee, the gentleman from New York [Mr. REED].

The CHAIRMAN. The gentleman from New York is recognized for 4 minutes.

Mr. REED of New York. Mr. Chairman, I think one of the serious mistakes we make in this legislative body is not to be guided by past experience. This is not the first time this experiment of tax publicity has been tried and found wanting.

Back in the days of the Civil War, Congress at the urgent request of some of the leading newspapers of the country put a publicity feature into the then existing income-tax law. After it had been in operation for a short time there developed a rising tide of public indignation against the provision. The same newspapers that previously advocated the publicity feature pointed out the futility and the danger of the publicity clause, and they urged its repeal. Men writing of that period said that undoubtedly one of the chief contributing factors to the repeal of the income-tax law itself was the publicity given to the tax returns. The law was finally repealed. Never since that time until 1924 has this controversial question been brought to the floor of this House.

The publicity feature was again tried in 1924. After an opportunity had been had to see how it worked, the Ways and Means Committee made a recommendation that it be repealed, giving as a reason in its report that it had served no useful purpose. The Senate Finance Committee made a similar recommendation. The result was that the provision was repealed.

Mr. Chairman, much has been said here about the Wisconsin law and its publicity feature. The Members of this House are too experienced not to know just exactly what has happened. I believe in laying the cards on the table. The Wisconsin law was put on the statute books in 1923. After 7 years' experience with that law the tax commissioners made a report in which they condemned the publicity provision. They gave, apparently, their best judgment as to how that law had worked in order that the world might read and know what their experience had been. Why should the commissioners in Wisconsin now reverse their position?

What great power or influence suddenly inspired these men who held their political jobs at the sufferance of some great political power to wire in at this last minute repudiating their solemn statements as to how the law had operated in the State of Wisconsin? They have reversed themselves now, but they had 7 years' experience with the operation of the law when they condemned it in 1930. Certainly no group of intelligent men with long experience could have condemned the publicity feature more than they did in that annual report. There is no mystery as to why they have frantically sent wires to be read here on the floor of the House.

Let me quote from the report made by the tax commissioners of Wisconsin before political pressure was applied:

[Excerpt from report of the Wisconsin Tax Commission, 1930]

PUBLIC EXAMINATION OF RETURNS

The repeal of the secrecy clause by the 1923 legislature opened all income-tax returns to public inspection. The repeal was urged

and passed upon the supposition that public inspection would result in fewer incorrect returns and in discovering much unreported income. These expected results have not materialized in any degree in the administration of either the individual or the corporation returns. There have been no instances where public inspection has brought forth unreported income, and as to its anticipated effect in producing more correct income returns, experience has shown that it has had the opposite effect. Knowing that their returns are open to inspection, taxpayers consolidate and condense their reports to make them as unintelligible as possible to those inspecting them, thus making their auditing by the commission or by the income-tax assessor more arduous, necessitating additional work, considerably more correspondence, and consequent expense and delay.

In most of the income-tax assessors' offices public examination of returns is infrequent and of little consequence, but in five or six of such offices and in the office of the tax commission such examination is attended by considerable annoyance and expense.

A survey shows that public examination is almost wholly without any public motive or significance, but that advantage is taken of it to serve purely private and personal interests. Our filed returns are used by credit organizations, which have men on hand almost constantly digging into the files. Returns are examined to prepare lists of prospective purchases of stocks and bonds and for other soliciting and advertising purposes. A common use of returns is to secure information in negotiating for the purchase of business properties, and very frequent use is made of them in delving into the intimate concerns of business competitors. Many such examinations are by competitors from without the State who offer the Wisconsin business no such reciprocal information or advantage. Income-tax files are also frequently used for information in court actions, and many examinations are made out of curiosity and at times for the sole purpose of annoying and harassing a reporting taxpayer.

In the Milwaukee office the time of an employee for 2 hours of every day is taken in waiting upon persons who are using the files for private purposes. In the period between November 1, 1929, and September 22, 1930, over 3,000 files were examined in the office of the tax commission. The crowded filing room is frequently occupied by six or seven persons going through the files and crowding the desk room of regular employees. The entire time of one clerk is employed in serving these purely personal investigators, and at times other clerks are called upon to assist her.

The indiscriminate examination of returns is not only an imposition upon the reporting taxpayers but is also an imposition upon the State and upon its tax-administration officers and employees. The commission does not favor any secrecy of returns that would bar examination in the public interest, but it does suggest that the promiscuous misuse of files for private purposes to the great inconvenience and annoyance of officials and the expense of the State ought to be discontinued. No other State or country having such files in custody permits such misuse of them. These files contain the record of the lifeblood and register the pulse of the person and private business affairs of our own taxpayers and should be accessible only when the public interest is concerned.

Mr. REED of New York. Let us examine the Wisconsin situation further. The publicity feature of the Wisconsin statute was so obnoxious because of its abuse that an act was passed by the legislature in 1933 making it a crime to commercialize the information obtained under the publicity provision. I insert the 1933 Wisconsin act:

CHAPTER 449

An act to create section 71.20 of the statutes, relating to circulating for revenue information relative to income-tax returns or income taxes, and providing a penalty

The people of the State of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. A new section is added to the statutes to read:

"71.20. Circulation for revenue of information from income-tax returns: No person shall divulge or circulate for revenue or offer to obtain, divulge, or circulate for compensation any information derived from an income-tax return: *Provided*, That this shall not be construed to prohibit publication by any newspaper of information derived from income-tax returns for purposes of argument nor to prohibit any public speaker from referring to such information in any address. Any person violating the provisions of this subsection shall, upon conviction, be punished by a fine of not less than \$100 nor more than \$500 or by imprisonment in the county jail for not less than 1 month nor more than 6 months, or by both such fine and imprisonment."

SEC. 2. This act shall take effect upon passage and publication. Approved July 25, 1933.

Published July 26, 1933.

Mr. DOUGHTON. Mr. Chairman, I introduced the bill which is now under consideration by the committee some days ago in response to what I conceived to be an overwhelming demand, and I may say an insistent demand, from a very large majority of the taxpayers of this country, the people upon whom we must rely for the money with which to support our Government. Mr. Chairman, none of us has a monopoly on patriotism, and I am sure none of



us would want to claim a monopoly on wisdom, although to listen to some of the remarks here today by those opposing this bill you would be constrained to believe that all knowledge and all wisdom abide in the brains of those who oppose this legislation.

The gentleman from Wisconsin, for whom I have a very high and profound respect, speaks of the hysteria of those of us who favor this legislation. To the gentleman may I say that I will not talk about hysteria, but all of the emotionalism that has been manifested here today has been upon the part of those who have opposed this legislation.

Mr. Chairman, there is one man in this country who has had more to do with the origin and enactment of the income-tax law than any other one man. May I call the attention of the gentleman from Texas [Mr. BLANTON] to the fact that that man is the Honorable Cordell Hull, now Secretary of State? He has written a long opinion with reference to this matter, and if anyone in this country is qualified to express an intelligent opinion it would be Secretary Hull. I quote from a letter from him stating that the publicity provision in the income-tax return has not justified itself. I quote from him:

What is, or at least should be, the main ground on which the policy of publicity of tax returns is urged, is to secure fuller and more accurate returns of taxable income. The controlling purpose of any tax statute designed to secure a large revenue yield should be such satisfactory and effective administration as would secure the maximum yield, and no other plan or purpose should be allowed materially to hamper or handicap the law operating to this end. . . .

I have investigated and reached my individual conclusion with respect to the proposed general publicity of income-tax returns, solely from the standpoint of the most satisfactory and successful administration of the income-tax law and the securing of the largest possible yield of revenue. Viewed from this standpoint I have been unable to bring myself to the conclusion that publicity would secure the most desirable revenue results. I may first refer to the experience of some governments which have tried out income taxation for the longest periods. England after 75 years' experience with her present income-tax law retains her policy of keeping the results secret. There is no demand from any source, so far as I am advised, for publicity of English income-tax returns. Holland retains secrecy under her income-tax law, which has been in operation some 25 years. Denmark pursues the same policy of secrecy under her income-tax law, in operation for 14 years; Austria pursues the same policy under her law, enacted some 75 years ago; Canada's recent income-tax law contains the same provision; France in her recent law has some form of secrecy, the exact nature and extent of which I am not definitely informed. This policy of these different countries, after many years' trial, is controlled entirely by the question of the most satisfactory administration and the largest revenue yield of their respective laws. They evidently have not felt justified in allowing considerations of collateral or other Government policies, however strongly and plausibly urged, to effect a change of this policy.

Let us now turn to the United States. The first Civil War income-tax acts did not prohibit publicity. The Commissioner of Internal Revenue early recommended a provision of secrecy to Congress. This was disregarded, however, until the Income Tax Act of 1870 was enacted. A lengthy debate on this act occurred in Congress, during which Garfield referred to one feature of the income tax "which has made it very odious in many parts of the country", namely, publicity of returns. The outcome of the discussion was the insertion of a provision in section 11 requiring secrecy, and it became a law. The view on which this provision was inserted was that it would meet the complaint that income-tax laws are inquisitorial and also that publicity often discloses secret trade processes, methods, etc., even though ever so legitimate, and that therefore a taxpayer would be more encouraged to make a full and complete return when he had the assurance that his trade secrets, processes, etc., would not be exposed to his competitors.

The strength, stability, and perpetuity of the income tax is based on the rather fixed opinion among the people generally that in both theory and practice it accomplishes relative fairness among the taxpayers more accurately than any other tax method thus far devised. Both now and after the war it is extremely vital that a tax method productive of a larger revenue than any other should be safeguarded by the most effective means. Whatever may be thought or said to the contrary, there is a phase of human nature which, entirely willing to make full and complete return of income and pay taxes accordingly in the belief that all taxpayers are receiving equitable treatment, is at the same time utterly adverse to the idea of general publicity of private business methods and private business affairs. . . .

I strongly favor any and every kind of publicity needed with respect to all phases of our financial, commercial, and industrial activities, but I think it unwise in the light of almost universal experience in the past to discredit or break down the income-tax system or seriously jeopardize it by utilizing that law instead of some separate law or laws for publicity purposes.

There is only one precedent, and that is the example of Wisconsin, in which State neither of the major parties is good enough, and they have found it necessary there to start a new party. That is the only place on the face of the earth where they have a similar publicity feature, so far as I am advised.

Mr. Chairman, there is no good that can come from the publicity provision. They talk about the racketeer. They say there is no danger insofar as the racketeer and criminal is concerned. Perhaps there is not the slightest danger, but many good people in the country are lying awake at night in constant dread and constant fear of that criminal element, and anything that may be of assistance to that bunch should not be placed upon the statute books of the Nation.

Mr. BLANTON. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Texas.

Mr. BLANTON. The Republicans are consistent; they have always been against it, but are the Democrats consistent when we have been fighting for this provision for years and now that we have it passed we want to repeal it?

Mr. DOUGHTON. Let me say to my good friend that this is not a measure about which we should raise party questions or draw party lines. The gentleman spoke about the administration. I will compare records with him for consistency in supporting the administration since the day it took control. I may say to him now, anybody who has a better record than I have in supporting the President can criticize me, but no man whose record is not as consistent as mine has any right to criticize me.

I shall not take the time to read the law relating to publicity of income-tax returns which will remain in effect and in force after the repeal of the "pink slip" section, but shall ask unanimous consent to insert the same in the Record at this point. These provisions of law, in my opinion, provide the fullest publicity for all legitimate purposes.

The question of publicity of income-tax returns has long been in controversy, and during the history of income taxation in this country such publicity has been tried on numerous occasions and was subsequently repealed as it failed not only to meet with the approval of the American people but also failed to be of any appreciable benefit to the Treasury. [Applause.]

Provisions of law relating to publicity of income-tax returns remaining in force after the repeal of "pink slip"—Revenue Act of 1926.

#### RETURNS TO BE PUBLIC RECORDS

SEC. 257. (a) Returns upon which the tax has been determined by the Commissioner shall constitute public records; but, except as hereinafter provided in this section and section 1203, they shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary and approved by the President. Whenever a return is open to the inspection of any person a certified copy thereof shall, upon request, be furnished to such person under rules and regulations prescribed by the Commissioner with the approval of the Secretary. The Commissioner may prescribe a reasonable fee for furnishing such copy.

(b) (1) The Secretary and any officer or employee of the Treasury Department, upon request from the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, or a select committee of the Senate or House specially authorized to investigate returns by a resolution of the Senate or House, or a joint committee so authorized by concurrent resolution, shall furnish such committee sitting in executive session with any data of any character contained in or shown by any return.

(2) Any such committee shall have the right, acting directly as a committee, or by or through such examiners or agents as it may designate or appoint, to inspect any or all of the returns at such times and in such manner as it may determine.

(3) Any relevant or useful information thus obtained may be submitted by the committee obtaining it to the Senate or the House, or to both the Senate and the House, as the case may be.

(c) The proper officers of any State may, upon the request of the governor thereof, have access to the returns of any corporation, or to an abstract thereof showing the name and income of the corporation, at such times and in such manner as the Secretary may prescribe.

(d) All bona fide shareholders of record owning 1 percent or more of the outstanding stock of any corporation shall, upon making request of the Commissioner, be allowed to examine the annual income returns of such corporation and of its subsidiaries. Any shareholder who pursuant to the provisions of this section is allowed to examine the return of any corporation, and who



makes known in any manner whatever not provided by law the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any such return, shall be guilty of a misdemeanor and be punished by a fine not exceeding \$1,000 or by imprisonment not exceeding 1 year or both.

(e) The Commissioner shall as soon as practicable in each year cause to be prepared and made available to public inspection in such manner as he may determine, in the office of the collector in each internal-revenue district and in such other places as he may determine, lists containing the name and the post-office address of each person making an income-tax return in such district.

Section 1203 (d): (d) The Joint Committee shall have the same right to obtain data and to inspect returns as the Committee on Ways and Means or the Committee on Finance, and to submit any relevant or useful information thus obtained to the Senate, the House of Representatives, the Committee on Ways and Means, or the Committee on Finance. The Committee on Ways and Means or the Committee on Finance may submit such information to the House or to the Senate, or to both the House and the Senate, as the case may be.

#### REVENUE ACT OF 1934

Section 55. Publicity of returns: (a) Returns made under this title shall be open to inspection in the same manner, to the same extent, and subject to the same provisions of law, including penalties, as returns made under title II of the Revenue Act of 1926; and all returns made under this act shall constitute public records and shall be open to public examination and inspection to such extent as shall be authorized in rules and regulations promulgated by the President.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all Members who have spoken on the bill in Committee may have 5 legislative days within which to extend their remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.,* That section 55 (b) of the Revenue Act of 1934, relating to filing and making public certain income statements, is repealed.

Mr. SABATH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SABATH: Strike out the word "repealed" in line 5 and insert the following:

"(b) Every person required to file an income return shall file with his return, upon a form prescribed by the Commissioner, a correct statement of the following items shown upon the return: (1) Name and address; (2) total gross income; (3) total deductions; (4) net income; (5) total credits against net income for purposes of normal tax; and (6) tax payable.

"In case of any failure to file with the return the statement required by this subsection, the collector shall prepare it from the return and \$5 shall be added to the tax. The amount so added to the tax shall be collected at the same time and in the same manner as amounts added under section 291. Such statements or copies thereof shall, as soon as practicable, be made available to examination and inspection to duly elected and sworn assessors or legally authorized tax-levying officials in their respective counties, in such manner as the Commissioner, with the approval of the Secretary, may determine, in the office of the collector with which they are filed, for a period of not less than 3 years from the date they are required to be filed."

Mr. DOUGHTON. Mr. Chairman, I make the point of order the amendment is not germane to the bill.

Mr. SABATH. Does the Chair wish me to argue the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Illinois on the point of order.

Mr. SABATH. Mr. Chairman, this simply amends the section we are trying to repeal.

Mr. DOUGHTON. Mr. Chairman, I withdraw the point of order. It will take less time to vote it down than to argue the point of order.

Mr. SABATH. Mr. Chairman, because I fear that after the strong argument that has been made by the Chairman of the Ways and Means Committee [Mr. DOUGHTON], the House may make a mistake and repeal this section, I have offered this amendment. It provides that instead of making these returns available to the general public, which many gentlemen are apprehensive may create conditions that will be detrimental to the taxpayers, that the returns be available to the assessors in the respective counties or other officials having the power to levy taxes for the purpose

of aiding them in the performance of their duties with respect to levying and collecting taxes.

I fear, Mr. Chairman, we are unduly alarmed from the number of letters we have all received. This is purely propaganda. A lobby has been working in Washington now for several years, and it is growing more and more powerful, and, I regret to say, more influential. If some of you gentlemen had had experience with these lobbyists as well as the propaganda going through the mails, you would not pay so much attention to them and would follow the dictates of your conscience and the dictates of your heart. I repeat, never before has there been such well-organized propaganda or such a lobby as there has been at this session. They are here in full force to repeal this section, to kill the bonus bill, and to kill any piece of legislation that is beneficial and helpful to the masses of our Nation.

Mr. BETTER. Mr. Chairman, will the gentleman yield?

Mr. SABATH. In a moment.

I feel that if this amendment prevails we will eliminate the fear in the hearts of the taxpayers and at the same time will make it possible for the county officials, having as their sworn duty the collection of taxes, to ascertain whether these men have evaded county and State taxes as they have been guilty of in years gone by.

I think this is an amendment in the right direction and notwithstanding the strong appeal of my friend, the Chairman of the Ways and Means Committee, I hope my amendment will be adopted, because I think it is in the best interests of all and will not in any way injure the honest taxpayers in whom some of my friends are so much interested at this time.

Mr. BLANTON. Mr. Chairman, I offer a substitute for the gentleman's amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. BLANTON for the amendment offered by Mr. SABATH: Page 1, line 5, after the word "repealed", strike out the period and add the following:

"Respecting all income statements embracing incomes under \$25,000 per annum."

Mr. BLANTON. Mr. Chairman, every Democrat who has earnestly worked during the last 15 years and fought for an income-tax publicity, and finally last year, over the protests and votes of the entire Republican Party on the other side of the aisle, against placing this in our law, is now asked to turn completely around and reverse his position.

When he votes to repeal it he now ought to get up and admit that he made a mistake last year and has been mistaken throughout the years. He ought to admit that he did wrong last year in allowing the law to be passed last year, when he does this somersault.

If we had had such a provision in our law during the last few years you would not find now your Government, our Government, trying to collect from Andrew W. Mellon, former Secretary of the Treasury, and former Ambassador to Great Britain, an income tax amounting to \$3,000,000, of which Mr. Mellon tried to evade payment and is now trying to defraud the Government out of. Whenever you make public business secret, and public business confidential, you will have such frauds. If we had had such a law you would not find such a prince of criminal lawyers as Frank J. Hogan, now defending Andrew W. Mellon against the United States Government, throwing everything in the way possible that a skillful lawyer can do to prevent the Government from collecting the \$3,000,000 evaded income that Mr. Mellon owes the United States. Naturally, when Mr. Mellon was called on to disgorge, he employed the shrewdest criminal lawyer in the United States, who, it is reported, received a million dollars for defending Doheny and Sinclair for stealing millions of dollars from the Government in the Teapot Dome scandal—the same expert criminal lawyer, Frank J. Hogan, who defended McCracken, who allowed important evidence wanted by the Government to be destroyed when he refused to testify before the Senate committee, although, thank God, he was forced by the Supreme Court to serve his sentence, the same skillful Frank J. Hogan who for several weeks, when I was trying to remove Commissioner



Frederick A. Fenning, sat across the table defending Colonel Fenning for weeks, doing everything he could to hamper us, and throwing everything in the way possible to keep us from removing Commissioner Fenning, who had been robbing several hundred shell-shocked soldiers of the World War he had gotten into his clutches, and was holding them behind bars in an insane asylum. This is the same great criminal lawyer, Frank J. Hogan, who defended the former Secretary of the Interior, Albert B. Fall, when he accepted a bribe of \$100,000 paid to him in cash out of a little black satchel, and succeeded in getting for his client only 1 year in the penitentiary.

Just as soon as Andrew W. Mellon employed this great criminal lawyer, I knew that he was guilty and that he justly owed this \$3,000,000 to the Government. I say to you that the Republicans have been consistent. They have always opposed this publicity. They want such matters kept secret. They want incomes to be confidential.

This is not a Republican measure. The Republicans have resisted every effort which has been made from this side of the aisle to pass such a law. This pink-slip law was not passed by their administration. It was not passed by the Harding administration, it was not passed by the Coolidge administration, nor the Hoover administration, because they would not permit it. They had the evidence of many frauds but they would not permit it. We Democrats passed it in this administration last year. I am not one of those who is going to turn tail now and run because a little millionaire propaganda comes here demanding it. I am not one of those who, because the big newspapers asserted yesterday and this morning that it has been arranged to vote repeal today, must carry out their mandate and cast my vote to repeal it. I am not going to follow their lead when it is against the interest of the American people. This is a step backward.

I wish I could follow the gentleman from North Carolina, the chairman of the committee [Mr. DOUGHTON], one of the finest characters in this House. [Applause.] I have followed him on some important fights that he made, fighting to keep the sales tax from being put on the shoulders of the people, and I wish I could follow him now. Every time any one of the Cabinet officers gets up and says that he wants so-and-so—he is not the administration, he is not one who can tell Congress what to do. If you begin to follow Cabinet officers you may find yourself going in 10 different directions, as there are 10 of them, and they do not always agree. Because one Cabinet officer has suggested this bill is no reason for passing it when it is not for the best interest of the American people. It took us Democrats a long time to get this law passed, and if we now repeal it we may never pass it again. Look at the vote tomorrow and you will see a solid Republican vote for repeal. I am going to vote against all these Republicans.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. TRUAX. Mr. Chairman, I offer the following amendment in the nature of a substitute.

The CHAIRMAN. The Chair will state to the gentleman from Ohio that there is a substitute already pending, so that the gentleman's amendment is not now in order.

Mr. DOUGHTON. Mr. Chairman, I hope both the substitute of the gentleman from Texas and the amendment of the gentleman from Illinois will be voted down. We are told to beware of the Greeks bearing gifts. There is no purpose in these amendments other than to kill the bill. Those who are opposed to the bill, of course, can consistently support the amendments. It means nothing except to retain the present law and to further open the returns to all local taxing authorities. That is all it means. The gentleman from Texas [Mr. BLANTON] refers to the fact that he does not follow Cabinet officers, and intimates that the statement I made with reference to Secretary Hull indicated some interference by a Cabinet officer. That did not come here in connection with this bill. That was a statement made by him years ago upon the subject of publicity of income-tax returns after

a profound study of it. He is not interfering. No head of any department in this Government has interfered or said anything about this one way or the other. This is not a partisan measure. The Secretary of the Treasury said that it is not a matter for him to comment upon at all. He simply said that he was there to enforce the law. There has been no effort to coerce or influence the House, so far as this matter is concerned.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. McCORMACK. I also call attention to the fact that anyone who voted for the repeal of this provision is not inconsistent with his vote of last year, because last year it was a conference report with 15 or 20 different items, and we did not have a direct vote on whether or not we wanted this provision in the revenue act.

Mr. DOUGHTON. That is very true. The House did not put this provision in the act of last year. It came in as a compromise. The publicity amendment was put on in the other body, and in conference this "pink slip" provision was agreed to. If this is repealed, all the publicity necessary is still on the statute books. The Ways and Means Committee of the House and the Finance Committee of the Senate and the taxing bodies of the various States, under the direction of the governors of the States, all have access to the returns.

Mr. GILCHRIST. Is there any provision in the present law whereby the authorities of any State can examine the tax returns except the incomes of corporations?

Mr. DOUGHTON. Certainly; the President issued an Executive order in 1932 placing individual returns in the same category as corporations.

Mr. GILCHRIST. Has the President issued the order?

Mr. DOUGHTON. He issued it December 13, 1932. Gentlemen need not be uneasy about that. I ask for a vote.

Mr. TRUAX. Mr. Chairman, I rise in opposition to the amendment. I for one am not worried by fears of being in the minority today. Experience and observation have taught me that if I am in the minority today, and in the right, eventually I shall be in the majority, and the minority today will ultimately be in the minority if it is wrong. I have received literally hundreds of letters urging this repeal, and I say to you that every one of them is an inspired letter, inspired propaganda, written by those who favor a government of the rich, by the rich, and for the rich. The amendment that I was offering is to exempt all incomes of less than \$9,000. Why make it \$9,000? I say to you that none of you gentlemen are supporting repeal because it affects you.

I assume that you are all perfectly willing as I am to have the whole damned world know what my income is. When you vote for repeal for whom are you voting and what are you voting for? You are voting for secrecy of income-tax returns of the rich of this country. No man or woman with an income of \$10,000 a year, of \$15,000, or \$20,000, or \$25,000 a year need ask for the arm of protection of this Government to save them from the racketeers and the kidnapers. It is the men and women with incomes of \$50,000 a year, \$100,000 a year, and \$1,000,000 a year that need worry, and lose sleep because of the kidnapers and the racketeers. There is a simple remedy for those fellows. All you need to do is to scale down every fortune to \$1,000,000. All you need to do is to limit every income unless it be that of the President of the United States to \$50,000 a year, and these fellows will not need to lose any more sleep. It is merely another attempt of the plutocrats. The plutocrats of the country are revolting against the existing order of things. They are fighting what they call "the new inquisition." They ask me if I want the inquisitorial publicity law repealed. They boldly state that "minorities get their way against larger numbers because they demand what they want and make a fuss about it"; and acting upon this theory the "pink slip" and silk-stockinged minority of the plutocrats wants the publicity feature



of income-tax returns repealed. I call your attention to this. These modern descendants all emanate from the ancient mythical god named Pluto.

Mr. DIES. That is water. [Laughter.]

Mr. TRUAX. The gentleman from Texas [Mr. Dies] said, "That is water." Now, that is true. There is a so-called "mineral water" named, after that god of wealth, Pluto Water. Pluto Water [laughter] is intended as a purge. So you take Pluto Water for a physical purge, and the plutocrats take you for a financial purge. In either event you are cleaned through and through physically and financially. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman from Ohio [Mr. Truax] has expired.

Mr. HOOK. Mr. Chairman, I move to strike out the last word of the Sabbath amendment.

Mr. Chairman, I happen to be one of those animals they call "a new Member of the House." I happen to be one of those who has been fighting ever since I came here to be recognized to say at least something in behalf of the constituents I represent at home. This is the first time I have been able to get here, and it was through the parliamentary guidance of my good friend, TOM BLANTON. [Applause.]

Now, let me tell you something about what happened with regard to your "pink slip" affair. I am in favor of this "pink slip." I am going to tell you just why. I am not only in favor of the "pink slip" but I am in favor of the principles advocated by the gentleman from Wisconsin and the gentleman from Minnesota [Mr. Kvale]. We have in our territory corporations known as "mining companies", operating copper mines and iron mines. Those corporations have gone down into the depths of the earth and taken the riches out of that territory and have left nothing behind but a hole in the ground and a bunch of steel. Now they come forth and say they are going to close their mines, and they want a reduction in the valuation of those mines. The city commission and the city attorneys from that territory wrote me and asked me to get the income-tax returns of those corporations, and I attempted to do it. I took it up with the Internal Revenue Department, and what was their answer? Their answer was, "If you hold 1 percent of the stock of that corporation or if you are an officer in the corporation, you can get those returns, but you cannot get them otherwise unless you were on a special congressional committee investigating the income."

Now, what we wanted were the honest facts so that we could go out and properly evaluate those mines, properly bring to the forefront the very things that those mining companies have been doing for so many years. They have been stealing the constituents of my district blind and have thrown about half of them on the relief rolls, and now they are trying to cover up behind that rule of secrecy. I say that what we can do in the open we should not be afraid of. When you do something in secrecy there is something you are hiding. What are people afraid of? Are they afraid to let anybody know what their business is? Oh, they talk about "racketeers", and they talk about "snoopers." I would like to know of bigger racketeers than those who have been hiding behind the secrecy of their incomes. They are the biggest racketeers this country has known.

I know in my district that the General Motors Corporation has purchased timberlands with money that should have been paid to the Federal Government as income tax. In other words, they evaded the income tax by claiming exemption by way of investment in timberlands, so that this corporation now holds timber that by right belongs to the Federal Government. I believe an investigation of that condition would probably bring out the true facts, and when those true facts are known, the General Motors timberlands will probably be included in the forest purchase project recently approved for Gogebic and Ontonagon Counties without cost to the Government.

I would like to know who are bigger racketeers than those Republicans who have taken charge of the relief rolls in my district, those Republicans who are in charge of these

mines and have captured control of the relief rolls. They went down the line and played politics with human misery and suffering.

I would like to know bigger racketeers than those who have made our relief organizations a political football. I am introducing a resolution to investigate the conditions prevailing in the relief organization of the twelfth district of Michigan, and especially the actions of Walter S. Berry, director of relief for the Upper Peninsula of Michigan, whom I charge with playing politics in that organization, which is against the principles of President Roosevelt and the Democratic Party. It was the intention of our glorious leader that all should be entitled to relief regardless of race, creed, color, or political affiliation. I emphasize that any man who will play politics with the relief rolls is the worst type of racketeer.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Hook] has expired.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. BOYLAN. Mr. Chairman, I did not care to interpose myself in this debate, but I must take exception to the remarks made by the gentleman from Texas [Mr. Blanton]. The gentleman from Texas has accused a leader of the District Bar, Mr. Frank J. Hogan, a lawyer of the highest standing in this community, not only here but throughout the entire country, not by direct charge, but by innuendos of various character. The gentleman well knows, as a member of the bar, that if he has anything against the professional character of Mr. Hogan, there is a time and place where he can present any charges he may have.

Mr. BLANTON. Will the gentleman yield to me, since he mentioned my name?

Mr. BOYLAN. I will in a moment. The gentleman knows that Frank J. Hogan is not entitled to the privileges of this floor; that he cannot come in here and reply to the innuendos of the gentleman. It is unfair to take advantage of a man of his type and character and standing in this community by uttering such remarks.

Mr. BLANTON. Will the gentleman yield to me now?

Mr. BOYLAN. I yield.

Mr. BLANTON. So far as this great criminal lawyer is concerned, he and I sit down together at banquets when high functions are held in Washington. [Laughter and applause.] What did I say about him that was not fair? Is he not a great criminal lawyer? Did he not represent Sinclair? Did he not represent Doheny? Did he not represent Albert Fall? Did he not represent MacCracken? Did he not represent Commissioner Fenning? Did he not get big fees for that? I was simply advertising him. [Laughter.]

Mr. BOYLAN. Let me ask the gentleman if it is to be held against him because of his great professional skill, and his ability, that he was able to secure these men as clients?

Mr. BLANTON. Why, certainly not. Every statement I made about him was the truth, and based on the record facts.

Mr. BOYLAN. Is there any reason in the world then why his name should be held up to this House in a manner suggesting that he was guilty of some sort of impropriety in the practice of his profession? [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Texas [Mr. Blanton] to the amendment offered by the gentleman from Illinois [Mr. Sabbath].

Mr. BLANTON. In order that the Members of the House may know what they are voting on, I ask that the substitute amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk again read the substitute amendment.

The question was taken; and on a division (demanded by Mr. Dunn of Pennsylvania) there were—ayes 25, noes 175.

So the substitute amendment was rejected.



The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Illinois [Mr. SABATH].

The amendment was rejected.

The CHAIRMAN. Under the rule the Committee rises.

The Committee rose; and the Speaker having resumed the chair, Mr. NICHOLS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 6359, pursuant to House Resolution 155, had reported the same back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The bill was ordered to be engrossed, read a third time, and was read the third time.

Mr. KVALE. Mr. Speaker, I offer a motion to recommit. The SPEAKER. Is the gentleman opposed to the bill?

Mr. KVALE. I am.

The Clerk read as follows:

A motion to recommit offered by Mr. KVALE:

Mr. KVALE moves to recommit the bill H. R. 6359, to repeal certain provisions relating to publicity of certain statements of income, to the Committee on Ways and Means.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is upon the passage of the bill.

Mr. DOUGHTON. Mr. Speaker, on the passage of the bill I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 301, nays 99, answered "present" 1, not voting 31, as follows:

[Roll No. 24]  
YEAS—301

Adair	Cooper, Tenn.	Gingery	McAndrews
Allen	Corning	Goodwin	McCormack
Andresen	Costello	Granfield	McGrath
Andrew, Mass.	Cox	Gray, Pa.	McGroarty
Andrews, N. Y.	Cravens	Greenwood	McKeough
Arends	Crawford	Greever	McLaughlin
Arnold	Crosby	Gregory	McLean
Ashbrook	Crowe	Griswold	McLeod
Bacharach	Crowthier	Guyner	McMillan
Bacon	Culkin	Gwynne	McMillands
Barden	Cullen	Haines	McSwain
Beam	Cummings	Halleck	Maas
Beiter	Daly	Hamlin	Manfield
Berlin	Darrow	Hancock, N. Y.	Mapes
Blackney	Dear	Harlan	Marshall
Bland	Deen	Hart	Martin, Mass.
Bloom	Delaney	Harter	Mason
Boehne	Dempsey	Hartley	May
Boland	Dickstein	Healey	Mead
Boylan	Dies	Hennings	Merritt, Conn.
Brennan	Dietrich	Hess	Merritt, N. Y.
Brewster	Dingell	Higgins, Conn.	Michener
Brown, Ga.	Dirksen	Higginbotham, Mass.	Millard
Brown, Mich.	Disney	Hill, Ala.	Mitchell, Ill.
Brunner	Dobbs	Hobbs	Montague
Buchanan	Dobbins	Hoeppel	Mott
Buck	Dockweiler	Hoffman	Nichols
Buckbee	Dondero	Hollister	Norton
Buckley, N. Y.	Dorsey	Holmes	O'Brien
Bulwinkle	Doughton	Hope	O'Connell
Burch	Doutrich	Houston	O'Connor
Burnham	Driscoll	Huddleston	O'Day
Carden	Duffey, Ohio	Imhoff	O'Leary
Carlson	Duffy, N. Y.	Jacobsen	Oliver
Carmichael	Duncan	Jenckes, Ind.	O'Neal
Carter	Eagle	Jenkins, Ohio	Palmisano
Cary	Eaton	Kee	Parsons
Casey	Eckert	Kelly	Patterson
Castellow	Eicher	Kennedy, Md.	Patton
Cavicchia	Ekwall	Kennedy, N. Y.	Pearson
Celler	Ellenbogen	Kenney	Perkins
Chandler	Engel	Kerr	Peterson, Fla.
Chapman	Englebright	Kimball	Peterson, Ga.
Christianson	Evans	Kinzer	Pettengill
Church	Faddis	Kloeb	Pfeifer
Citron	Farley	Knutson	Pittenger
Claiborne	Fenerty	Kocalkowski	Plumley
Clark, Idaho	Fiesinger	Kramer	Powers
Clark, N. C.	Fish	Lambeth	Quinn
Cochran	Fitzpatrick	Lamneck	Rabaut
Coffee	Flannagan	Lanham	Ramsay
Cole, Md.	Focht	Lea, Calif.	Ramspeck
Cole, N. Y.	Frey	Leibach	Randolph
Collins	Fuller	Lewis, Colo.	Ransley
Connery	Gavagan	Lewis, Md.	Rayburn
Cooley	Gearhart	Lord	Reed, Ill.
Cooper, Ohio	Gifford	Lucas	Reed, N. Y.
	Gillette	Ludlow	Richardson

Robertson	Short	Taylor, Colo.	Welch
Robinson, Utah	Slisson	Taylor, Tenn.	West
Robison, Ky.	Smith, Conn.	Terry	Whelchel
Rogers, Mass.	Smith, Va.	Thomas	Whittington
Rogers, N. H.	Smith, W. Va.	Thomason	Wigglesworth
Romjue	Snell	Thompson	Wilcox
Rudd	Snyder	Thurston	Wilson, La.
Russell	Somers, N. Y.	Tinkham	Wilson, Pa.
Sadowski	South	Tobey	Wolcott
Sanders, Tex.	Spence	Tolan	Wolfenden
Schaefer	Stack	Tonry	Wolverton
Schuetz	Stefan	Turpin	Woodruff
Schulte	Stewart	Umstead	Woodrum
Sears	Stubbs	Vinson, Ga.	Young
Secrest	Sullivan	Vinson, Ky.	The Speaker
Seger	Sumners, Tex.	Walter	
Shanley	Sutphin	Warren	
Shannon	Taber	Weaver	

NAYS—99

Amlie	Gassaway	McGehee	Sandlin
Ayers	Gilchrist	Mahon	Schneider
Binderup	Gildea	Marcantonio	Scott
Blanton	Gray, Ind.	Martin, Colo.	Scrugham
Bolleau	Green	Massingale	Sirovich
Buckler, Minn.	Greenway	Maverick	Smith, Wash.
Caldwell	Hildebrandt	Miller	Starnes
Cannon, Mo.	Hill, Knute	Mitchell, Tenn.	Steagall
Cannon, Wis.	Hill, Samuel B.	Monaghan	Sweeney
Carpenter	Hook	Montet	Tarver
Cartwright	Hull	Moran	Taylor, S. C.
Colden	Johnson, Okla.	Moritz	Truax
Colmer	Johnson, Tex.	Murdock	Turner
Cross, Tex.	Jones	Nelson	Underwood
Crosser, Ohio	Keller	Parks	Utterback
Doxey	Kniffin	Patman	Wallgren
Driver	Kvale	Pierce	Wearin
Dunn, Miss.	Lambertson	Polk	Werner
Dunn, Pa.	Lee, Okla.	Rankin	White
Ferguson	Lesinski	Reilly	Williams
Fernandez	Lloyd	Richards	Withrow
Fletcher	Lucky	Rogers, Okla.	Wood
Ford, Calif.	Lundeen	Ryan	Zimmerman
Ford, Miss.	McClellan	Sabath	Zioncheck
Fulmer	McFarlane	Sanders, La.	

ANSWERED "PRESENT"—1

Sauthoff

NOT VOTING—31

Bankhead	Edmiston	Kahn	Owen
Bell	Gambrill	Kleberg	Peyser
Biermann	Gasque	Kopplemann	Reece
Brooks	Gehrman	Larrabee	Rich
Burdick	Goldsborough	Lemke	Thom
Darden	Hancock, N. C.	Maloney	Treadway
DeRouen	Igoe	Meeks	Wadsworth
Drewry	Johnson, W. Va.	O'Malley	

The SPEAKER. The Clerk will call my name.

The Clerk called the Speaker's name and he voted "yea."

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rich (for) with Mr. Sauthoff (against).  
Mr. Treadway (for) with Mr. Burdick (against).  
Mr. Wadsworth (for) with Mr. Lemke (against).  
Mr. Larrabee (for) with Mr. Gehrman (against).

Until further notice:

Mr. Bankhead with Mrs. Kahn.  
Mr. Johnson of West Virginia with Mr. Reece.  
Mr. Darden with Mr. Meeks.  
Mr. Gambrill with Mr. Bell.  
Mr. Goldsborough with Mr. Owen.  
Mr. Biermann with Mr. Thom.  
Mr. Gasque with Mr. Brooks.  
Mr. Hancock of North Carolina with Mr. Maloney.  
Mr. DeRouen with Mr. Kopplemann.  
Mr. O'Malley with Mr. Peyser.

Mr. JONES. Mr. Speaker, my colleague the gentleman from Texas, Mr. KLEBERG, was called to Texas. He authorized me to state that if he were present he would vote "yea."

Mr. SMITH of West Virginia. Mr. Speaker, my colleague the gentleman from West Virginia, Mr. EDMISTON, is inadvertently detained in West Virginia. He has authorized me to state that if he were present he would vote "yea."

Mr. SHANLEY. Mr. Speaker, my colleague the gentleman from Connecticut, Mr. KOPPLEMAN, is unavoidably detained. Were he here he would vote "yea."

Mr. BLAND. Mr. Speaker, my colleague the gentleman from Virginia, Mr. DREWRY, is unavoidably detained. If he were here he would vote "yea."

My colleague the gentleman from Virginia, Mr. DARDEN, is sick. If he were here he would vote "yea."



Mr. SABATH. Mr. Speaker, the gentleman from Illinois, Mr. IGOE, is unavoidably detained. If he were here he would vote "yea."

Mr. SAUTHOFF. Mr. Speaker, I was paired with the gentleman from Pennsylvania, Mr. RICH, and was of the impression that he would be back today. I voted "nay." I withdraw my vote of "nay" and vote "present."

Mr. McLEOD changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the bill was passed was laid on the table.

#### PUBLICITY OF INCOME-TAX REPORTS

Mr. GRAY of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GRAY of Indiana. Mr. Speaker, human experience has shown that publicity is a cure and remedy for many of our political evils and affairs of peace and public life.

If Members of Congress or State legislators are not discharging their duty or misrepresenting their constituents, the remedy is to throw on the light and make their record public.

If public officials are misappropriating the taxes and funds of the people, the cure is to throw on the light of publicity and to show how and where the public funds are being expended.

If taxpayers are evading the payment of their just share of taxes and leaving others to bear an unjust burden, throw on the light of publicity and show the evading taxpayers and the amount of taxes that are being evaded and relieve the honest taxpayers from more than their just portion and share.

Good and just men will not object to have their acts and record stand out before the world in the glare of the noonday sun, and no man who wishes to comply with the law and pay his just portion of taxes should claim the right to remain in the shadows in the darkness of nighttime, covered and concealed with that kind of people.

When the new administration of Congress convened in March 1933, Members found an empty Treasury, a Treasury without funds for the payment of their own salaries, without funds for the payment of public employees and without funds for the payment of pensions, which had been adjusted and allowed them by law.

And to meet the emergency found existing, and to save the Nation from bankruptcy, the economy bill was passed reducing salaries of Members of Congress, reducing the wages of Federal employees and cutting down soldiers' pensions, closing hospitals to patients, reducing the public service and throwing many people on State charity and benevolence.

After the passage of the economy act, reducing salaries, pensions, and wages, a Senate committee was appointed to investigate tax-income payments and after months of examining witnesses and compelling the production of books and papers, it was found that Morgan and Mellon and the great financiers of the country had paid no income taxes in 1930, that they had paid none in 1931, and had paid no taxes in 1932.

On such information obtained, suits were instituted against these financiers to compel them to pay their income taxes, and a law was passed, now referred to as the "pink slip" law, to compel publicity of income-tax payments and prevent a repetition of income-tax defaults.

These facts were all explained to the people and assurances were given that the way had been barred to escape the further nonpayment of income taxes by the law we had passed.

It is difficult to explain why we should make a distinction between taxes assessed upon tangible and intangible property and compel publicity for the one and exempt publicity for the other.

I supported this law in good faith. I explained the reason and necessity for the economy act, and assured the people that this failure of the payment of income taxes could not be

repeated under this statute, and the one consistent course remaining for me is to uphold and defend the law that was claimed imperative and necessary to protect the honest taxpayers of the country from being compelled to bear an unjust and unequal burden of taxes.

#### THE PINK SLIP

Mr. HAMLIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAMLIN. Mr. Speaker, under the leave to extend my remarks in the RECORD on H. R. 6359, relative to the so-called "pink slip" income-return data, I desire to insert these letters from constituents of mine of the First District.

This bill will, in my judgment, repeal a feature of the Revenue Act of 1934 which has never been tried out, but is undemocratic, unworkable, unduly officious, and should and, in my judgment, will be repealed by this bill. I have done as I told my people in Maine I would do—speak and vote against the "pink slip."

PORTLAND, MAINE, February 4, 1935.

HON. SIMON M. HAMLIN,

United States Representative, Washington, D. C.

MY DEAR REPRESENTATIVE HAMLIN: As a business man in Portland, I wish to enter a protest against the intended plan of making public figures on the amount of tax and income filed by individuals to the Internal Revenue Department. I refer, of course, to form 1094 of the Treasury Department Revenue Act of 1934.

This plan opens a broad avenue through which can tread the host of parasites who depend on fleecing those who, for the most part, work for their living. Picture a kidnaper's paradise where he can demand \$50,000 instead of a paltry \$10,000. Visualize the army of solicitors, both legal and illegal, who can annoy and persecute a citizen who, through his fortune or perhaps his misfortune, pays an income tax in the support of the Government. Consider the radical or communistic element who desire returns far greater than can be measured by their own efforts, but who in general can break down the morale and peace through embittered implications. Is it right and fair that all measures of success and effort be scrutinized by unscrupulous people?

I feel that my protest coincides with that of many who have given this matter careful thought. I therefore ask your serious consideration in voting against the act.

Yours truly,

M. K. COX,  
92 Baxter Boulevard.

GARLAND MANUFACTURING CO.,  
Saco, Maine, January 23, 1935.

HON. SIMON HAMLIN,

House of Representatives, Washington, D. C.

DEAR SIR: We wish to enter a protest against part 5, section 55, of the 1934 Revenue Act as it pertains to publicity of returns. We believe this article is entirely un-American, and we do not see how it can possibly produce any of the results which the Government expects of it in revealing more unpaid taxes.

In addition to this fact it is an encroachment upon the private affairs of every citizen and opens to kidnapers, racketeers, and sucker lists, and all such rackets a wonderful opportunity to further their work.

We understand that there is a very general opposition to this section of the law, and we sincerely hope that you can help to have this section repealed before the present tax returns are entered.

Yours truly,

C. P. GARLAND, Treasurer.

PEPPERELL MANUFACTURING CO.,  
Boston, Mass., February 19, 1935.

HON. SIMON M. HAMLIN,

House Office Building, Washington, D. C.

DEAR MR. HAMLIN: We earnestly protest against section 55 (b) of the Revenue Act of 1934 whereunder citizens are compelled to give written statements of their private incomes to be posted for public scrutiny. These public records will show an incomplete, unfair, a temporary, and consequently untrue picture of citizens' financial status.

The required publication will serve the ends of competitors, business enemies, private enemies, and blackmailers of citizens whose private means are thus publicly and periodically disclosed, and will expose citizens to be victimized by criminal racketeers, kidnapers, and gangs of the underworld.

This mischievous law was passed hastily by a former Congress without thought of its fearful consequences, and we trust that you are opposed to it.

We respectfully request your aid and best efforts in securing relief from such an outrageous invasion of personal and business privacy.

Respectfully yours,

R. H. LEONARD, President.



NORWAY, MAINE, March 4, 1935.

HON. SIMON HAMLIN,

House of Representatives, Washington, D. C.

DEAR MR. HAMLIN: With this I enclose my protest to the law making public income-tax returns as provided under section 55 of the Revenue Act of 1934.

My vocabulary is not extensive enough to properly attempt to register the feeling which I have toward this law and the injustice which it will do to the taxpayers of this country. I consider it an unwarranted intrusion upon the rights of the taxpayers and without benefit in any degree to anybody. I earnestly advocate the repeal of the law.

Yours very truly,

S. W. GOODWIN.

SOUTH PORTLAND, MAINE, March 5, 1935.

HON. SIMON HAMLIN,

United States House of Representatives, Washington, D. C.

DEAR SIR: Pardon me for taking your time, but this "pink slip" outrage is too much to endure silently.

I protest against this outrageous invasion of my right of privacy granted to me by the Constitution of the United States of America.

The Supreme Court has passed upon this right in several cases before it confirming this right.

I make an honest return upon my small income, and I protest strongly against the snooping of any Paul Pry who may wish to pry into my private affairs for no good purpose.

The American people are honest as a whole, and the sins of the few should not be used as a menace to the rest of us, or this injustice allowed in order to satisfy the vanity and spleen of a demagogic Senator. Please vote to repeal this act.

Very truly yours,

(Miss) ADA F. GARDINER.

## OUR INLAND WATERWAYS

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, inland-water carriage, which has been so extensively developed as an integral part of the transportation systems of Europe, and which was once generally used by us, is again coming into its own in our country. Modernization of river transport and of interchange facilities and the improvement and standardization of river channels insure low-cost transportation, which agriculture, commerce, and industry so sorely need. With the completion of the upper Mississippi 9-foot channel project, a great trunk inland-waterways system has been established in this country from Pittsburgh on the East to Kansas City and beyond on the West, from the port of New Orleans in the South up the great Mississippi, dividing into two branches, one through the Illinois to Chicago and into the "American Mediterranean", the Great Lakes, and the other up the mother stream into the heart of the Midwest to the Twin Cities. No other nation or continent has been so endowed by kindly Providence with a great network of Nature's own transportation highways.

The possibilities of inland-water transportation in this country are graphically indicated by its development in Europe. While methods of boat or barge operation may vary from the standardized practices developing in this country today, the great lesson we can learn from Europe is that water transportation is inherently cheap and can be coordinated with other forms as an integral part of a great national transportation system.

Therefore, let us briefly survey the use of rivers as a means of transportation in Europe. The western part of Europe has about 15,000 miles of rivers and canals, nearly all intercommunicated. In Germany alone 9,000 miles are now profitably navigated by as small as 1,000-ton barges. The sea is reached from all the streams—for example, from the Danube to the Black Sea, from the Rhine to the Mediterranean; the English Channel is reached from the Seine, the North Sea from Rotterdam. A connecting canal is now being completed whereby the Rhine will be able to make deliveries over inland waterways with every port in Germany, Poland, and the Baltic from Luebeck to Koenigsberg.

It is of interest to note that the barges in Europe are very different from those we are now using. Abroad they are all made with a rudder. This, of course, means that someone must steer. This, again, means living quarters. Again, the contracts they enter into provide that barges shall at all times be in charge of two or more able-bodied persons;

often the owner or part owner of a barge is its commander and his wife is the second in control. This explains the necessity for living quarters on the barge. It is quite common to find them very comfortable, and these living quarters in many cases provide a place of birth and subsequent homes for a new generation to again carry on the transportation for the family or to establish themselves in similar barges, building up a business as their parents conducted.

Rotterdam is the greatest port in Europe, the tonnage handled exceeds any other place. It is a surprise to most of us that 90 percent of this business is received and forwarded by barges. At all of the coast points north and east of Rotterdam the greater part of the tonnage handled moves by barges. Much of this movement is made under annual contracts between producers and barge owners. In no way, however, is any effort made to control the rates. The charges are, therefore, only controlled through supply and demand. Indeed, in most of the cities in western Europe there is a transportation market in which one may bargain for rates of carriage, as we do in our exchanges for wheat, flax, potatoes, and so forth. The shipping public would rebel, as would the barge owners, at any effort of a control in their rates, as is the case in our country at the present time.

The United States has been endowed by nature with wonderful possibilities for waterway development. We have a coastline upon the Atlantic of 11,674 miles, upon the Pacific of 3,765 miles, and upon the Gulf of Mexico of 6,418 miles. Our coastline in Alaska is 15,132 miles, and our shoreline of the Great Lakes is more than 8,300 miles. This total coastline is 20,000 miles greater than the circumference of the earth at the Equator.

The area of the Great Lakes is 95,160 square miles, of which 60,950 square miles, or approximately 64 percent of the total surface area, is within our international boundary line. These Lakes, with adequate improvement of their ports and connecting channels, are capable of the systematic movement of the largest ships afloat.

The rivers of the United States are unsurpassed by those of any other country, both for purposes of power and navigation. About 15,000 miles of these rivers have been improved to a greater or less extent, and probably 10,000 miles additional may be suitable for future improvement.

Upon the Atlantic coast we have 83 improved ports, of which 7 have depth of 35 feet or more, 14 between 30 and 35, 5 between 25 and 30, and 57 with depth of less than 25 feet.

On the Pacific coast we have 26 ports, 4 of which have depth of 35 feet or more, 6 between 30 and 35 feet, 5 between 25 and 30, and 11 with depth of less than 25 feet.

On the Gulf coast we have 22 ports, 1 of which is 35 feet deep, 8 between 30 and 35 feet, 5 between 25 and 30, and 9 have less than 25 feet in depth.

In Hawaii we have four ports, all 35 feet deep and capable of accommodating the largest ships engaged in the trans-Pacific trade.

In Puerto Rico we have two recognized ports, each 30 feet deep.

In Alaska we have four ports of less than 25 feet and several improved inlets.

Upon the Great Lakes we have 72 improved ports, of which 32 have depth of 21 feet, to correspond with that of the connecting channels, the other Lake ports having depth of less than 20 feet. The connecting channels are now being dredged from 21 to 24 feet, and the major ports are also under consideration for corresponding depth.

Along the Atlantic coast an inland waterway is nearing completion from Boston Harbor to the Florida Keys. The general depth is 12 feet, and the width ranging from 90 feet on inland cuts to 300 feet in open bays. This waterway unites into one connected system all the navigable rivers flowing into the Atlantic south of the New Hampshire line.

On the Gulf shore an intracoastal waterway is nearing completion from the coast of Florida to Corpus Christi, Tex. The channel is of uniform width of 100 feet and 9 feet deep, to correspond with the Mississippi, with which it connects. This intracoastal waterway unites into one continuous system all the navigable rivers flowing into the Gulf



of Mexico, including the Mississippi, with all its branches. Connection of this great system with the Great Lakes at Chicago is also nearing completion.

In net result we would have a real transportation system, with about 3,000 miles of what we might call the "main line", and some 6,000 miles of laterals.

There are, however, two proposals receiving current consideration which, if applied, will adversely affect the fullest use of our inland waterways. One is the proposal to regulate or control rates on commerce moving wholly by water. Experience has shown that such a proposal would only have the effect of raising the level of water rates to that of more expensive forms of transportation, thereby destroying the cheaper type of transportation. Here, again, we can learn from Europe. Again it is proposed to levy a transport tax upon tonnage moving over our inland waterways. It is but necessary to remark that this is based upon the claim that all public improvements must be self-liquidating; certainly this is a positive negation of the theory of popular government. The provision for public highways is one of the basic functions for which government is formed.

Under the Constitution our rivers were created Federal highways. This was the very logical outcome of the limitation inherent in the States. The navigable waters transcend the limits of State authority and jurisdiction, but the theory of self-liquidation can be as justly applied to public improvements by the States and their subdivisions. If public transportation using Federal highways must, through tax, liquidate these improvements, it is as logical to demand that sewage be metered, admissions charged to visitors in our parks or tuition collected for attendance in our public schools. Under this theory it is just as logical to erect toll gates along newly paved streets in order that the traffic using them might directly liquidate the cost of such improvements.

Time does not permit a more extensive discussion of this revolutionary proposal. Briefly, I can say, regardless of any theories advanced, that a water-transport tax is objectionable in practice because it reverses a salutary policy of government, which has worked satisfactorily throughout our national history, namely, that our navigable waters are free highways of commerce owned by and open to all of our citizens without imposts of any kind. These water highways have repaid their cost to the citizens of our country many times over in reduced transportation charges. A water-transport tax, once established, would soon lose all semblance of a maintenance tax and, like the tariff, would degenerate into a medium of political expediency. Thus it would increase the cost of water transportation, an undesirable result from the public standpoint at any time, and particularly at a time when all efforts are being made to raise the price of commodities without unduly embarrassing a consuming public burdened with debt.

We, as a nation, are soon to have at our disposal the greatest system of internal waterways in the world. To insure their greatest usefulness, we must be careful to pursue sound policies toward water-borne transportation thereon. By so doing, these modernized water highways will bring untold blessings to our great Midwest inland empire and to this Nation as a whole.

#### WORLD COURT DEBATE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a few statements with regard to the World Court debate and Senator BORAH's part therein.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

[Allegan (Okla.) News, Feb. 7, 1935]

WORLD COURT DEBATE SHOWS UNITED STATES SENATE STILL HAS INTELLECTUAL GIANTS—JOHNSON, BORAH, AND GORE MAY BE COMPARED WITH ORATORS OF THE PAST

They talk and they write of the intellectual giants of the Senate of the olden days—of a Webster, a Clay, or a Calhoun; but those who listened to the closing senatorial debate on the question of

adherence to the World Court have no need to regret their failure to have heard any of the statesmen of bygone days.

Neither the incisive, energetic argument of a JOHNSON, the stormy eloquence of the logical BORAH, nor the quiet, soul-stirring and convincing appeal and marshaling of facts of Senator GORE will be in any measure dwarfed by comparison with the eloquence of any of the Senate's historic heroes.

Like the irresistible powers of some great surging army JOHN-SON drove home, by sheer force, the dangers involved in adherence to the Court. The fire of BORAH's utterances was equaled by his appeal to the intelligence of hearers; the tones of Senator GORE's voice, as well as his words, calling Senators to their duty, appealing to their sense of patriotism, to the loyalty which they owed to those who died on the fields of France, his vivid characterization of the utterances of those who would have us join the Court, left no human emotion untouched.

All too often debate consists of words, sentences, and paragraphs, nothing more, strung together on a continuous thread of sound, many times meaningless as a whole, convincing to no one.

To those accustomed to saying or believing that oratory is a forgotten art, eloquence a thing of the past, logical argument useless, and appeal to patriotism unheeded, we suggest the reading of the day's debate found in the CONGRESSIONAL RECORD of January 29, ending on page 1212. Those who were privileged to hear it will never forget those appeals to American loyalty and patriotism.

Paying tribute to his colleagues, WILLIAM BORAH and HIRAM JOHNSON, to his former colleague, James Reed, of Missouri, Senator GORE had read the lines of Horatius when he said:

"Hew down the bridge, Sir Consul,  
With all the speed ye may;  
I, with two more to help me,  
Will hold the foe in play.  
In yon strait path a thousand  
May well be stopped by three:  
Now who will stand on either hand,  
And keep the bridge with me?"  
Then out spake Spurius Lartius—  
A Ramnian proud was he:  
"Lo, I will stand at thy right hand,  
And keep the bridge with thee."  
And out spake strong Herminius—  
Of Titian blood was he:  
"I will abide on thy left side  
And keep the bridge with thee."  
"Horatius", quoth the Consul,  
"As thou sayest, so let it be."  
And straight against that great array  
Went forth the dauntless three.

Listening to the Senator, each hearer must have felt that, like Horatius of old, the blind Senator from Oklahoma, a Democrat wishing to be loyal to his party, but firm in his belief that country must come first, was willing to sacrifice his office—himself if necessary—to protect its liberty.

With hair silvery white, thin, intellectual face, his manner mild, his voice at all times gentle, persuasive and thrilling, physically hale and vigorous, though blind, not a word uttered by him, nor a line read by the Senate clerk at his direction, was lost to his listeners. Each was carried along by his sincerity as well as by the convincing force of his statements. Each knew that his heart, yes, his soul, as well as his mind and intellect, were in his words.

"New dealers" may rush about from place to place; they may utter and print millions of words, spend billions of dollars, but this debate disclosed to the world, certainly to those who heard these three great patriotic, intellectual giants, that their long fight for the principles first enunciated by Washington was, on the 29th day of January 1935, crowned with victory. If, of the three, one is to be advanced by a half pace before his fellows, the other two would be the first to agree that to the blind Senator should go the glory.

Let us not make the same mistake as did those who heard Lincoln and Everett at the dedication of the battlefield of Gettysburg, nor of those carried away by the address of Everett, who failed to realize the true eloquence of Lincoln.

There was another orator in the Senate this day, quiet, unassuming Senator BULOW, of South Dakota, who made this brief but comprehensive and powerful statement:

"Heretofore I have been in favor of the League of Nations, and of the World Court, but the reflections of the last year or two have caused me somewhat to change my mind. I have listened to this debate, heard most of it, and most of that which I have not heard I have read; and I find, so far as I now remember, that every Senator here who is in favor of going into the World Court is only in favor of going into it, provided certain reservations are made. That leads me to the conclusion that perhaps it is a dangerous thing to go into the Court.

"During the more than 60 years of my life, in an humble way, often questions have come to me upon which action had to be taken; and from that experience I have realized that my Creator endowed me with a something which, for the want of a better name, we have seen fit to call a conscience. That conscience has always pointed out the road to me. If there were two roads to take, that conscience has always told me the right and the wrong road. I have not always obeyed it, but every time I have violated its dictates, apologies and regrets have been necessary. When I have followed its dictates, I do not now remember of a single apology that was necessary.



"I sincerely dislike, and it is with deep regret, that I am forced to part company with my administration. It is with deep regret that I cannot follow my leader upon this side of the floor. To me that leadership is voluntary, and I can do as I please, but my conscience is not voluntary, and I must walk with my conscience constantly until the end of my days.

"Under the view I now entertain, much as I regret it, I cannot support the pending resolution of adherence. I thank the Senate for its kindly consideration."

This statement of Senator BULOW lays down a safe rule for statesmen as well as for youth.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, the Chairman of the Committee on the Post Office and Post Roads has informed me that that committee has made a favorable report on the new air-mail bill, which he hopes will come before the House on next Monday. The Second Assistant Postmaster General of the United States, Mr. Harlee Branch, made an address in my home town 1 week ago today, when air mail and passenger service was inaugurated, in which he set forth certain administration figures and facts that I believe will be of vital interest to the Membership of the House even before the legislation comes before us next week.

Mr. Speaker, I ask unanimous consent that I may at this point insert as a part of my remarks certain statements made by Mr. Branch.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The matter referred to follows.

In part, Mr. Branch said:

Upon this occasion it is appropriate and may be interesting for me to refer to the remarkable development of commercial aviation in the United States. In so doing I also wish to keep the record straight, because there has been and is now a great deal of confusion in the public mind as to the real facts. Much misinformation has been circulated.

No other country in the world possesses an air transport system which is in any degree comparable with the great system that covers the entire United States. It is in a class by itself, both as to the mileage embraced, the unsurpassed equipment employed, and the frequency of the schedules flown.

While there has been a steady improvement in equipment ever since the first air mail route was established between Washington and New York in 1918, the greatest strides in commercial aviation have been made during the past year.

Last June Congress enacted a law which prohibits any holding or manufacturing company from owning or controlling a company holding an air mail contract. This law also prohibits any operating company from paying any officer a salary of more than \$17,500 a year.

The divorcement of the operating companies from holding and manufacturing companies put a stop to wild stock promotions and made it possible for the operating companies to buy their airplanes and other equipment in the open market.

There was a time—and that was before this administration came into office—when the greater portion of the funds appropriated by Congress for the support and development of commercial aviation went to three great holding companies which controlled 92 percent of the companies flying the air mail.

Those were the days when a manufacturing company, affiliated with an operating company and organized with a capital stock of \$750, boasted a net income of one and one-half millions dollars for a single year; when an investment of \$259.14 could climb to a value of fifty-one and one-half million dollars; and when two \$20 bills quickly grew into stock valued at \$5,000,000 and more than \$1,000,000 in cash.

Those were the days when contracts were privately negotiated at secret conferences and money appropriated by Congress to build up a national system of air transportation was parceled out to swell the fortunes of favored companies.

Those days are gone. Collusion between carriers has been stopped, and free and open competitive bidding for air mail contracts is now assured. The law prevents air transport monopolies and protects employees of companies carrying the air mail.

All these provisions of the law are being strictly enforced by the Post Office Department, and this enforcement has brought about the most healthful condition that the aviation business has ever known.

It is now possible, as it was not in the past, for air-mail contractors to devote their time and money to building up service institutions, rather than lobbying for increased rates or other favors, and to center their attention on airline operations and not on the stock market. As a result the aviation industry is today rendering the finest service in its history. The operating

companies are now officered by men who are interested only in successful operations.

The present air mail law contains a number of other fundamental and constructive provisions, among them being the provision which vests in the Interstate Commerce Commission the power to fix the rates of air-mail pay, the provision which authorizes the Department of Commerce to prescribe the maximum flying hours of pilots, and the requirement that the salaries of pilots shall conform to decisions of the National Labor Board.

A year ago, there were 25,248 route miles in the air mail system, while today the system embraces 28,967 route miles, an increase of 3,719 miles.

A year ago the total authorized annual flying miles over these routes was approximately 35,000,000 miles, while at present the total authorized annual flying mileage is approximately 40,000,000, an increase of approximately 5,000,000 miles per year.

For the fiscal year 1932 the air mail appropriation was \$20,000,000; for the fiscal year 1933 the appropriation was \$19,460,000; for the fiscal year 1934 the appropriation was \$15,000,000; and for the fiscal year 1935 the appropriation was \$12,000,000.

It is estimated that the cost of the largely expanded Air Mail Service during the fiscal year 1935, which ends June 30 of this calendar year, will be approximately \$10,000,000. This is about half of what was being paid in 1933.

The Post Office Department does not contend that in every instance the present rates are adequate. As a matter of fact the Department is convinced that in some instances the rates are too low and has recommended that Congress amend the law so as to empower the Interstate Commerce Commission to raise as well as lower rates, in which event the Department expects that the Interstate Commerce Commission will, in a number of cases, allow increases.

However, the Department does not anticipate that the total increases which may be allowed by the Interstate Commerce Commission will run the total air mail pay to a figure higher than twelve or thirteen million dollars a year.

Even if the increases allowed were to go as high as \$14,000,000, there would still be a large reduction in the per mile mail pay as compared with the pay of a year ago, when the average per mile pay was 42 cents for 25,248 route miles and approximately 35,000,000 annual scheduled flying miles. At that time the appropriation was \$15,000,000 and the Department was expending \$14,000,000.

With an increase of 3,719 route miles, which is a 15-percent increase, and with an increase of approximately 5,000,000 annual scheduled flying miles, which is also an increase of approximately 15 percent, a total mail pay cost of thirteen or even fourteen million dollars would be proportionately much less than the cost was a year ago.

The present contracts were let in April and May of last year. They were awarded after open competitive bidding and in some cases the bids were extremely low. For instance, the bid rate on one contract was 8 cents per mile, on another 13 cents, and on another 14½ cents. Several were below 20 cents, and the others ranged between 20 and 39½ cents per route mile.

Since the letting of these contracts the companies have encountered a considerable increase in their expenses. Some of this increased expense is due to the new air mail law, which was enacted subsequent to the letting of the contracts. This law requires the companies to pay the salaries fixed by the National Labor Board, which, for a number of the companies, is a higher salary scale than prevailed a year ago.

With few exceptions, the companies have purchased new and up-to-date airplanes, which cost more than the old types of airplanes. These companies have also been required to install improved safety equipment, which is expensive, and, in addition, a law was passed at the last Congress making them responsible for mail lost or destroyed and for which the Department is now collecting. In addition to these increases in expense the companies have, in many instances, been compelled to pay higher rates for the use of airports and airport facilities.

The great expansion in the air mail system, which now gives direct service to 46 States and indirect service to the other 2 States, and which provides interisland service in the Hawaiian Territory, has increased the number of cities directly served from 152 to 193. Stops at the additional 41 cities have also brought about a considerable increase in expense to the companies for the reason that at each of these stops the companies must maintain ticket offices, radio and weather reporting stations, and a ground personnel.

The total population of the cities now served by air mail exceeds 36,000,000.

In administering the Air Mail Service the Post Office Department has constantly borne in mind that the purpose of Congress in providing a subsidy for air mail was to develop American aviation, and the Post Office Department, under Postmaster General Farley, and the Department of Commerce, under Secretary Roper, have constantly pressed for the utilization of every possible improvement in equipment.

At least 10 types of planes employed on the air mail routes in 1933 had by the beginning of 1935 been superseded by improved flying equipment. During the past year 3,586 miles of airways were located or relocated and improved.

Additional lighting systems are constantly being installed, and beacons flare to guide the planes tonight where there was only darkness in 1933.

Communication linking the plane in the air with the ground is constantly being improved. All of this is a part of the Govern-



ment program to foster and expand the system of air transport in the United States.

In October 1934 all previous records were broken when 916,416 pounds of air mail were carried. It may be mentioned in passing that the cost of moving this mail was less than half the cost of moving smaller amounts of mail in October 1931, October 1932, and October 1933.

During the last 6 months of 1933 the passenger miles flown totaled 108,989,640 as compared with 112,569,194 during the last 6 months of 1934. There has also been a large increase in the volume of express transported.

Beginning last July 1, the air mail postage rate was reduced from 8 cents for the first ounce and 13 cents for each additional ounce to a flat rate of 6 cents per ounce. This lower rate has brought a great increase in the volume of air mail, and this increased volume has now reached a point where the postal receipts about equal those received under the former higher rate.

With authority given to the Interstate Commerce Commission to authorize fair and reasonable mail pay rates to the companies and with the constant increase in the volume of mail and express and number of passengers carried, the Interstate Commerce Commission will not only be in position to afford the necessary Government aid to the companies during the period when their revenues are insufficient to pay their necessary operating expenses, but it will be in position to gradually reduce Government aid until the revenue from passengers and express, plus a mail pay rate for service rendered, will enable the companies to operate without any Government subsidy.

Along with its recommendations that Congress amend the air mail law so as to authorize the Interstate Commerce Commission to increase air mail pay rates where they are unreasonably low, the Department is also recommending an amendment which would require air mail companies to obtain the approval of the Interstate Commerce Commission before they can inaugurate a nonmail schedule or an off-route operation.

With no limitation placed upon the nonmail schedules and off-route operations an air mail carrier could incur losses regardless of the amount of air mail pay authorized.

Within the past few days a statement has been broadcast over the country to the effect that between May and December 1934 the air mail operators incurred a loss somewhat in excess of \$2,800,000. This statement is misleading, for it infers that this loss was incurred in flying the air mail. The truth is that much of this loss was the result of nonmail carrying operations.

Further, in 1934 some of the operators were paying tribute to their predecessor companies in the form of excessive rentals of equipment used. In some cases this annual rental was equal to 50 percent of the value of the rented equipment.

According to the operating companies the revenues on flights which carry no mails are approximately 28 cents per mile as compared with expenses slightly exceeding 57 cents per mile, which shows that a loss of approximately 29 cents a mile has been incurred by operations over which the Government has no control.

As an example, at one time, during the past year, a company operating between Chicago and New York flew 3 mail-carrying round trips and 7 nonmail carrying round trips per day. It is clear that by such nonmail carrying operations an operator can build up, and in the past many operators have built up, losses for which they could not possibly be compensated by any reasonable amount of air mail payments.

The air mail makes possible the great transcontinental lines which pick you up by the Atlantic at midday and land you for breakfast by the Pacific the next morning. The air mail makes it possible for the Chicago business man to breakfast with his family at home and attend a conference in New York on the same afternoon. Because the air mail flies, you can travel from New Orleans to New York between sunset and sunrise. It is the air mail that keeps in our skies the luxurious air liners which flash between our northern and southern borders and from coast to coast with a speed which in 1933 would have been called incredible.

Mr. RANDOLPH. The foregoing remarks give valuable information for us. Personally I feel that there are many companies now carrying air mail for the Government at a contract rate which is driving them into bankruptcy. In this sort of a situation we must come to the aid of the air transport system in America. An increase in rates is absolutely essential. The Federal Aviation Commission has put Congress on notice, and we should take steps to continue our leadership.

Mrs. NORTON. Mr. Speaker, I call up the Senate bill 408, to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. The gentlewoman from New Jersey asks unanimous consent that the bill be considered in the House as in the Committee of the Whole. Is there objection?

Mr. PATMAN. Mr. Speaker, reserving the right to object, I may state to the gentlewoman from New Jersey that I have been given notice if this bill is brought up there will be an effort made to attach to it a taxicab-liability bill. I have made an investigation, and I think such an amendment would be in order. That being true, I am sorry I cannot agree that it be considered in the House as in the Committee of the Whole. I think we are going to have to fight this thing out, and we will have to have some time to do so. We cannot be unduly restricted. We have not had any hearings on that phase of the legislation this year, and it certainly would not be right to restrict debate. We had hearings last year. It will take a little time to get this information, and since I have been given notice this fight is going to hinge on the taxicab liability, I do not see how I can agree to permitting it to come up without having all rights protected.

Mr. O'CONNOR. Would it not be proper to hold up the bill and have some hearings on the matter?

Mrs. NORTON. May I say to the gentleman that we have no objection to any Member of the House offering a taxicab-liability bill if they so desire. This bill has nothing to do with the taxi-liability bill. I consider that this bill should stand on its own bottom. Let us either pass it or vote it down.

Mr. O'CONNOR. Does not this bill include taxicabs?

Mrs. NORTON. It includes all motor vehicles.

Mr. O'CONNOR. That would include taxicabs.

Mrs. NORTON. Hearings have been held on this bill. It passed the House a year ago. It passed the Senate this year, and, so far as I have been able to learn, there has not been any objection made to the bill except by one particular person, and that gentleman, as I understand it, has been influenced by certain insurance interests in the District.

Mr. O'CONNOR. In most jurisdictions the vehicles that are used for public hire are treated differently than the privately owned pleasure cars.

Mrs. NORTON. I agree with the gentleman, and there is no reason why we should not have a bill to take care of them here in the District, but this bill has nothing to do with that matter.

Mr. O'CONNOR. As I understand it, this bill does cover them rather than making a separation. If this bill just applied to pleasure vehicles which were not used for hire, that would be a different matter. I think hearings ought to be had on this matter.

Mrs. NORTON. Ample time was given Mr. PATMAN, the chairman of the subcommittee, to hold hearings. I may say to the gentleman that we have this law in my State, and the law also applies in the State of New York.

Mr. O'CONNOR. Oh, no.

Mrs. NORTON. The State of New York does have a compulsory-insurance law in addition to this financial-responsibility bill.

Mr. O'CONNOR. There is a separate law for taxicabs in New York.

Mrs. NORTON. There is no reason why we should not have a separate bill here. This bill does not interfere.

Mr. O'CONNOR. This bill includes vehicles for public hire.

Mrs. NORTON. New York has financial-responsibility law for motor vehicles for hire and also this law.

Mr. O'CONNOR. No. In New York we do not have a general bill.

Mr. MICHENER. Mr. Speaker, I demand the regular order.

Mr. PATMAN. Mr. Speaker, if the regular order is demanded, I object.

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 408) to promote safety on the public highways of the District of



Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

Mr. PATMAN. Mr. Speaker, reserving the right to object, if the gentlewoman from New Jersey will get some assurance from those who are contemplating offering the amendment in regard to taxicabs that the amendment will not be introduced, I shall not object to the limit of time, but it is not right to bring in an entirely separate matter at the end of the day that will involve probably a whole day's discussion. We fought this out last session, and it required a whole day with a roll call and the vote was about 2 to 1 against it. Now, to bring it in at this time I do not think is proper. It will take considerable time to discuss it, and if it is insisted upon I shall be compelled to object to the limitation of time also. I do not object to considering the bill.

Mrs. NORTON. The gentleman has had this bill in his committee for sometime past. He had all the time to hold as many hearings as he desired. He reported the bill to the full committee favorably.

Mr. PATMAN. I am not objecting to this bill, I expect to sponsor it. I am anxious for this bill to be passed if I have assurances that there will be no effort to attach the other matter.

Mrs. NORTON. How can any Member give assurance of what another Member intends to do. Has the gentleman the idea of introducing a compulsory bill?

Mr. PATMAN. No; I have no thought of doing that, because I am opposed to it.

Mr. DIRKSEN. May I say to the gentlewoman from New Jersey that no one can give that assurance.

Mr. PATMAN. Mr. Speaker, I shall be compelled to object to the limitation of time so that we will have plenty of time to discuss these matters.

Mr. MICHENER. How late does the gentlewoman contemplate remaining in session tonight?

Mrs. NORTON. That is rather a difficult question. May I say to the gentleman that I supposed everybody in the House was interested in this bill. We are having a large number of accidents every day on our city streets with absolutely no responsibility. There is no law here covering the situation. The bill provides a law which, while it may not be a perfect one, although I contend it is a very good law, is one that is similar to one that has been adopted by 21 States and 6 Provinces in Canada. I cannot understand why any Member of this House should object to passing this bill. If it is found inadequate for any reason it can be amended at another time. It is a step in the right direction.

Mr. MICHENER. My inquiry was how long does the gentlewoman contemplate remaining in session this evening?

Mrs. NORTON. I could finish in 10 minutes.

Mr. BLANTON. Will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Texas.

Mr. BLANTON. To get the present apparent obstacles out of the way, I would suggest to the gentlewoman from New Jersey that she put this particular bill off until the end of the calendar and call up the other bills to which there is no objection, for likely there are several of them she can pass.

Mrs. NORTON. I may say to the gentleman from Texas that the Chairman of the District Committee has rarely found any bill to which objection is not raised.

Mr. BLANTON. On this particular bill there seems to be some objection from the gentleman from Texas [Mr. PATMAN]. He indicates he would not want this bill taken up at this time. Hence, let it come last, and take up the other bills first.

Mrs. NORTON. May I say to the gentleman, and he is a fair-minded man—

Mr. BLANTON. I am trying to help the gentlewoman.

Mrs. NORTON. I know it and thank the gentleman. Does he not think it would be in order and come with much better grace from the gentleman on the committee that reported the bill if he had brought up these objections in the committee so we might have amended the bill to suit him instead of bringing the matter up today? He was not forced to report the bill when he did; in fact, could have held hearings for any length of time desired.

Mr. BLANTON. I have found out that sometimes Members have to proceed in their own way.

Mrs. NORTON. I have found that out, too.

Mr. PATMAN. Mr. Speaker, I am not objecting to this bill. I want sufficient time to discuss an amendment that I know will be brought up.

Mrs. NORTON. That is all we want.

Mr. PATMAN. But I have been put on notice there will be an amendment offered that will require liability insurance for all taxicabs.

Mrs. NORTON. The gentleman is not afraid of that amendment—I am not.

Mr. PATMAN. I certainly am if we have a gag rule whereby I cannot discuss it.

Mrs. NORTON. We will give you as much time as necessary.

Mr. PATMAN. Next Monday, I believe, is suspension day. It can be passed then without an amendment.

Mr. MICHENER. Mr. Speaker, if we are going to discuss the matter, let us take time to discuss it, and if we are not going to discuss it, let us have the regular order.

Mr. PATMAN. I object, Mr. Speaker.

Mrs. NORTON. The gentleman objects to what?

Mr. PATMAN. To 1 hour's debate.

Mrs. NORTON. We will make it 2 hours.

Mr. PATMAN. If you will get a promise not to amend the bill, or give me 1 hour of the time—

Mrs. NORTON. I have never known a committee to come into this House and be treated in this fashion. I have never known a committee to be required to get a promise from Members that there shall be no amendment offered to a bill. It is the privilege of every Member of the House to offer amendments to any bill.

Mr. PATMAN. I am not objecting to the amendment. I merely want time to discuss it, and it is my privilege to object and I am exercising my privilege.

The SPEAKER. The question is on the motion of the gentlewoman from New Jersey that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill.

Mr. HULL. Mr. Speaker, I should like to object to this entire proceeding, because this bill came up a week ago and at that time there was an understanding about it, at least I thought, and I think other members of the committee thought the same way about it, that the bill would be referred back to the committee for hearings. It does seem to me this is in violation of that understanding.

The SPEAKER. The motion is not debatable, the Chair will state to the gentleman.

The question was taken; and on a division (demanded by Mr. HULL) there were—ayes 89, noes 80.

Mr. HULL. Mr. Speaker, I make the point of order there is not a quorum present, and object to the vote on that ground.

The SPEAKER. Evidently there is not a quorum present.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KLEBERG, indefinitely, on account of important business.

To Mr. GEHRMANN, for today, on account of illness.

To Mr. HANCOCK of North Carolina, for today, on account of sickness in his family.

To Mr. KOPPLEMANN, for 1 week, on account of important business.

To Mr. MITCHELL of Illinois, for tomorrow, on account of important business.



To Mr. ROBERTSON (at the request of Mr. DARDEN), indefinitely, on account of illness.

#### ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly reenrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 330. An act for the relief of Sophie de Soto.

#### BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 330. An act for the relief of Sophie de Soto.

#### ADJOURNMENT

Mr. MAVERICK. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 92, noes 64.

So the motion was agreed to; accordingly (at 4 o'clock and 32 minutes p. m.) the House adjourned to meet, in accordance with its previous order, tomorrow, March 12, 1935, at 11 o'clock a. m.

#### COMMITTEE HEARINGS

##### COMMITTEE ON THE POST OFFICE AND POST ROADS

(Tuesday, Mar. 12, 10:30 a. m.)

Subcommittee will hold hearings on bill (H. R. 2890) pertaining to compensation for fourth-class postmasters.

(Wednesday, Mar. 13, 10:30 a. m.)

Subcommittee will hold hearings on bill (H. R. 6452) regarding unlawful use of mail in connection with State insurance laws.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 3285. A bill authorizing a preliminary examination and survey of the Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods; with amendment (Rept. No. 363). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 3383. A bill to provide a preliminary examination of the Greenbrier River and its tributaries in the State of West Virginia, with a view to the control of its floods; without amendment (Rept. No. 364). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 3384. A bill to provide a preliminary examination of the Cheat River and its tributaries in the State of West Virginia, with a view to the control of its floods; without amendment (Rept. No. 365). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 3385. A bill to provide a preliminary examination of the Potomac River and its tributaries, with a view to the control of its floods; without amendment (Rept. No. 366). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 4077. A bill authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the controlling of floods; without amendment (Rept. No. 367). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 5134. A bill authorizing a preliminary examination and survey of the North Fabius River in Lewis County, Mo.,

with a view to the controlling of floods; with amendment (Rept. No. 368). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 5651. A bill authorizing a preliminary examination of the Umpqua River, Oreg.; without amendment (Rept. No. 369). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 5773. A bill to authorize a preliminary examination of Coquille River and its tributaries in the State of Oregon with a view to the control of its floods; without amendment (Rept. No. 370). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 5774. A bill to authorize a preliminary examination of Rogue River and its tributaries in the State of Oregon with a view to the control of its floods; without amendment (Rept. No. 371). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 5775. A bill to authorize a preliminary examination of Siuslaw River and its tributaries in the State of Oregon with a view to the control of its floods; without amendment (Rept. No. 372). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 5776. A bill to authorize a preliminary examination of Yaquina River and its tributaries in the State of Oregon with a view to the control of its floods; without amendment (Rept. No. 373). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 5777. A bill to authorize a preliminary examination of Siletz River and its tributaries in the State of Oregon with a view to the control of its floods; without amendment (Rept. No. 374). Referred to the Committee of the Whole House on the state of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SMITH of Washington: Committee on Claims. H. R. 420. A bill for the relief of Bruno Tarzio; with amendment (Rept. No. 342). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 846. A bill for the relief of Elton Firth; with amendment (Rept. No. 343). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H. R. 1315. A bill for the relief of Thomas J. Gould; with amendment (Rept. No. 344). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 2122. A bill for the relief of William Seader; without amendment (Rept. No. 345). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 2125. A bill for the relief of George William Henning; with amendment (Rept. No. 346). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 2553. A bill for the relief of Eva S. Brown; without amendment (Rept. No. 347). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. H. R. 2987. A bill for the relief of E. W. Tarrence; with amendment (Rept. No. 348). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 3073. A bill for the relief of William E. Smith; with amendment (Rept. No. 349). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 4029. A bill for the relief of Thomas Enchoff; without amendment (Rept. No. 350). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. H. R. 4034. A bill for the relief of Charles Szymanski; with amendment (Rept. No. 351). Referred to the Committee of the Whole House.



Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4805. A bill authorizing adjustment of the claim of the Adelpia Bank & Trust Co. of Philadelphia; with amendment (Rept. No. 352). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4806. A bill authorizing adjustment of the claim of Frank Spector; without amendment (Rept. No. 353). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 4808. A bill for the relief of the Richmond, Fredericksburg & Potomac Railroad Co.; without amendment (Rept. No. 354). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 4811. A bill for the relief of George W. Miller; without amendment (Rept. No. 355). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 4812. A bill for the relief of Mrs. Carlyle von Thomas, Sr.; without amendment (Rept. No. 356). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4814. A bill for the relief of Lt. Col. Russell B. Putnam, United States Marine Corps; without amendment (Rept. No. 357). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4831. A bill for the relief of L. E. Geary; with amendment (Rept. No. 358). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. S. 1037. An act authorizing adjustment of the claims of Sanford A. McAlister and Eliza L. McAlister; without amendment (Rept. No. 359). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. S. 1039. An act authorizing the adjustment of the claim of the West India Oil Co.; without amendment (Rept. No. 360). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1056. An act authorizing adjustment of the claim of Schutte & Koerting Co.; without amendment (Rept. No. 361). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1302. An act for the relief of certain disbursing officers of the Army, and for other purposes; without amendment (Rept. No. 362). Referred to the Committee of the Whole House.

Mr. KVALE: Committee on Military Affairs. H. R. 298. A bill for the relief of Jack Page; without amendment (Rept. No. 375). Referred to the Committee of the Whole House.

#### CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 6576) to authorize the presentation of a Distinguished Flying Cross to Maj. Francis T. Evans, United States Marine Corps; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 1464) to correct the military record of Edward Reidell; Committee on Military Affairs discharged, and referred to the Committee on Merchant Marine and Fisheries.

A bill (H. R. 6574) for the relief of the dependents of Max Grady Sullivan, deceased; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McREYNOLDS: A bill (H. R. 6612) authorizing the appropriation of funds for the payment of claims of certain foreign governments under the circumstances herein-after enumerated; to the Committee on Foreign Affairs.

By Mr. STARNES: A bill (H. R. 6613) to create the Farm Tenant Homes Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic

instability resulting from some present forms of farm tenancy, and for other purposes; to the Committee on Agriculture.

By Mr. CONNERY: A bill (H. R. 6614) to provide for the construction of a post-office building at Revere, Mass.; to the Committee on Public Buildings and Grounds.

By Mr. PETERSON of Georgia: A bill (H. R. 6615) authorizing the payment of an indemnity to the Spanish Government on account of the death of Juan Neira, a Spanish subject, killed at Savannah, Ga., by a United States truck; to the Committee on Foreign Affairs.

By Mr. ROBINSON of Utah: A bill (H. R. 6616) to authorize the Secretary of the Interior to accept from the State of Utah title to a certain State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes; to the Committee on the Public Lands.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 6617) to provide for the removal of the monument to Casimir Pulaski from the triangle at Pennsylvania Avenue, Thirteenth Street, and E Street NW., to the east end of the triangle formed by Pennsylvania Avenue, E Street, and Fifteenth Street, in the city of Washington, D. C., and to authorize the appropriation therefor; to the Committee on Public Buildings and Grounds.

By Mr. HUDDLESTON: A bill (H. R. 6618) to regulate and maintain an open market for the sale of goods in interstate commerce, to supplement existing laws against combinations in restraint of trade and discrimination in prices, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. IGLESIAS: A bill (H. R. 6619) to authorize the Secretary of War to dispose of certain real estate of the War Department; to the Committee on Military Affairs.

By Mr. KENNEDY of Maryland: A bill (H. R. 6620) to provide for the construction of two vessels for the Coast Guard designed for ice breaking and assistance work; to the Committee on Merchant Marine and Fisheries.

By Mr. McSWAIN: A bill (H. R. 6621) to authorize the selection, construction, installation, and modification of permanent stations and depots for the Army Air Corps and frontier air defense bases generally; to the Committee on Military Affairs.

Also, a bill (H. R. 6622) to authorize the President of the United States to confer honorary rank without command and without compensation upon officers and enlisted men distinguished in the service of the United States between April 6, 1917, and November 11, 1918; to the Committee on Military Affairs.

By Mrs. NORTON: A bill (H. R. 6623) to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want; to the Committee on the District of Columbia.

By Mr. RANKIN: A bill (H. R. 6624) providing for appeals from orders of Federal courts prohibiting compliance with Federal laws; to the Committee on the Judiciary.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 6625) conferring jurisdiction on United States district courts over Osage Indian drug and liquor addicts; to the Committee on Indian Affairs.

By Mr. SCRUGHAM: A bill (H. R. 6626) to relieve unemployment in mining districts, increase the monetary gold and silver reserves of the United States, and to develop strategic, deficiency, and noncompetitive mineral resources of the Nation, and for other purposes; to the Committee on Mines and Mining.

By Mr. SHANLEY: A bill (H. R. 6627) for establishment of a bar library in the Supreme Court Building, to be known as the "Oliver Wendell Holmes Memorial Foundation"; to the Committee on the Judiciary.

By Mr. TOLAN (by request): A bill (H. R. 6628) to provide employment for blind citizens in the United States and its possessions; to the Committee on Labor.

By Mr. VINSON of Georgia: A bill (H. R. 6629) to amend section 12 of the act approved May 18, 1920 (41 Stat. 604;



U. S. C., title 34, sec. 896), as amended; to the Committee on Naval Affairs.

By Mr. WEST: A bill (H. R. 6630) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex.; to the Committee on Interstate and Foreign Commerce.

By Mr. SECREST: Joint resolution (H. J. Res. 208) to provide for the observance and celebration of the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the settlement of the northwest territory; to the Committee on the Library.

By Mr. MONTET: Joint resolution (H. J. Res. 209) to provide for the acquisition by the Government of the United States, in whole or in part, of the Inner Harbor Canal and Lock connecting the Mississippi River with Lake Pontchartrain, in the State of Louisiana, and now owned by the Board of Commissioners of the Port of New Orleans (an agency of the State of Louisiana), and for other purposes; to the Committee on Rivers and Harbors.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Pennsylvania, regarding the immediate payment of the bonus; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin, regarding an adequate old-age-pension law; to the Committee on Ways and Means.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BERLIN: A bill (H. R. 6631) granting a pension to Anna M. Steiner; to the Committee on Invalid Pensions.

By Mr. DUFFEY of Ohio: A bill (H. R. 6632) granting an increase of pension to Margaret A. Morse; to the Committee on Invalid Pensions.

By Mr. GREENWOOD: A bill (H. R. 6633) granting a pension to Maud Melville; to the Committee on Invalid Pensions.

By Mr. HOFFMAN: A bill (H. R. 6634) for the relief of Johanna Armstrong; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H. R. 6635) granting a pension to Arthur Plumley; to the Committee on Pensions.

By Mr. KENNEY: A bill (H. R. 6636) for the relief of Christopher D. Eger; to the Committee on Military Affairs.

By Mr. LAMNECK: A bill (H. R. 6637) granting a pension to Elizabeth Merrill; to the Committee on Invalid Pensions.

By Mr. LUNDEEN: A bill (H. R. 6638) granting a pension to Mary O. Lyman; to the Committee on Invalid Pensions.

By Mr. McGEHEE: A bill (H. R. 6639) for the relief of Julius Crisler; to the Committee on Claims.

By Mr. PARSONS: A bill (H. R. 6640) granting a pension to Josie Greathouse; to the Committee on Invalid Pensions.

By Mr. PETERSON of Georgia: A bill (H. R. 6641) to permanently renew Patent No. 630352; to the Committee on Patents.

By Mr. ROBSION of Kentucky: A bill (H. R. 6642) for the relief of Eaph Toler; to the Committee on Claims.

By Mr. SOUTH: A bill (H. R. 6643) for the relief of Margaret C. (Lacks) King; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3534. By Mr. BACHARACH: Resolution of the Atlantic division, Parochial Parent-Teacher Association, comprising the Parochial Parent-Teacher Associations of Atlantic and Cape May Counties, N. J., registering their disapproval of the acts of the Mexican Government as recited in the resolution and asking for the recall of our Ambassador from his post in Mexico; to the Committee on Foreign Affairs.

3535. By Mr. BEITER: Petition of the Polish Chamber of Labor of Buffalo, N. Y., urging the Congress to enact House bill 2827, which proposes a system of unemployment and social insurance; to the Committee on Labor.

3536. By Mr. BOYLAN: Petition signed by Fred Brickman and other residents of the Fifteenth Congressional District of New York City, opposing passage of the Wheeler-Rayburn public-utility bill; to the Committee on Interstate and Foreign Commerce.

3537. By Mr. BUCKLER of Minnesota: Petition of F. E. Dibley, commander, and Roy Larson, adjutant, of Wolverton, Minn., in behalf of the members of Nelson-Otteson Post, No. 370, of Wolverton, favoring the Vinson bill (H. R. 3896) to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

3538. Also, petition of Henry J. Hugelin, of Twin Valley, Minn., commander of the Nesseth Post, No. 431, of the American Legion, of Twin Valley, Minn., in behalf of members of the post, praying for the passage of the Vinson bill (H. R. 3896) to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

3539. By Mr. BURDICK: Memorial requesting Congress to support House Joint Resolutions 15, 83, and 86, introduced in the Congress of the United States by Representative BURDICK; to the Committee on Agriculture.

3540. By Mr. DEROUEN: Petition of the Lake Charles (La.) Association of Commerce, opposing the proposed 30-hour week legislation; to the Committee on Labor.

3541. By Mr. DIETRICH: Six petitions signed by many residents of the Fifteenth Congressional District of Pennsylvania, urging the defeat of Senate bill 1725 and House bill 5423, known as the "Public Utility Act of 1935"; to the Committee on Interstate and Foreign Commerce.

3542. Also, petition signed by many residents of Susquehanna County, Pa., urging the passage of the Vinson bill known as "H. R. 3896", which seeks to provide for the immediate payment of the World War adjusted-service certificates; to the Committee on Ways and Means.

3543. By Mr. GOODWIN: Petition of Ulster Grange, No. 969, Patrons of Industry, Ulster Park, N. Y., opposing the prevailing-wage amendment or any other amendment to the work-relief bill; to the Committee on Appropriations.

3544. By Mr. HAINES: Petitions signed by 33 of his constituents (Twenty-second District of Pennsylvania), protesting against the public-utility bill; to the Committee on Interstate and Foreign Commerce.

3545. By Mr. HIGGINS of Massachusetts: Petition of St. Winifred Court, Massachusetts Catholic Order of Foresters, favoring the Higgins Concurrent Resolution No. 3 on religious persecution in Mexico; to the Committee on Foreign Affairs.

3546. Also, resolutions by the General Court of Massachusetts, memorializing Congress in favor of the immediate cash payment of the adjusted-service certificates of the veterans of the World War; to the Committee on Ways and Means.

3547. By Mr. KERR: Petition of the Senate and the House of Representatives in the State of North Carolina, requesting the Senators and the Members of the House of Representatives from North Carolina in the Congress of the United States to vote against a bill known as the "Flannagan bill", relating to Government grading of tobacco; to the Committee on Agriculture.

3548. By Mr. LUCKEY: Memorial requesting the Congress of the United States to pass the President's work-relief bill, as submitted, without further delay; to the Committee on Appropriations.

3549. By Mr. LUNDEEN: Petition of the United Brotherhood of Carpenters and Joiners, Local Union No. 7, Minneapolis, Minn., urging support of the McCarran amendment, providing for the payment of prevailing local wages on Government projects; to the Committee on Appropriations.

3550. Also, petition of Bricklayers, Stone Masons, Marble Masons, Terrazzo, and Mosaic Workers' Union, No. 2, of Minneapolis, Minn., urging support of the McCarran amend-

ment, providing for the payment of prevailing local wages on Government projects; to the Committee on Appropriations.

3551. Also, petition of the Minneapolis Central Labor Union, Minneapolis, Minn., urging support of the McCarran amendment providing for the payment of prevailing local wages on Government projects; to the Committee on Appropriations.

3552. Also, petition of the Upholsterers' Local No. 61, of Minneapolis, Minn., urging the enactment of the McCarran amendment to the public-works and relief appropriation bill; to the Committee on Appropriations.

3553. By Mr. McLAUGHLIN: Petition in the nature of a memorial, memorializing the Congress of the United States to pass the President's work-relief bill, as submitted, without further delay; to the Committee on Appropriations.

3554. By Mr. MAPES: Petition of Group No. 2651, Polish National Alliance of the United States of North America, by B. Rechulicz, president, Mrs. Seiveryna Marchwicki, secretary, and St. Jaworowicz, treasurer, Grand Rapids, Mich., recommending legislation to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3555. By Mr. MARTIN of Massachusetts: Memorial of the City Council of Fall River, Mass., advocating observance of the death of General Pulaski; to the Committee on the Judiciary.

3556. Also, memorial of the General Court of Massachusetts, advocating immediate cash payment of the World War adjusted-service certificates; to the Committee on Ways and Means.

3557. By Mr. MEAD: Petition of Group 279 of the Polish National Alliance, of the United States, Buffalo, N. Y., memorializing Congress to proclaim October 11 of each year as General Pulaski Memorial Day; to the Committee on the Judiciary.

3558. Also, petition of Group 949, Polish National Alliance of the United States, Buffalo, N. Y., memorializing Congress to proclaim October 11 of each year as General Pulaski Memorial Day; to the Committee on the Judiciary.

3559. By Mr. MERRITT of New York: Petition of James O. Safford, of 158 East Ninety-third Street, New York City, N. Y., and approximately 50 additional voters, urging Congress to defeat the Rayburn utility bill; to the Committee on Interstate and Foreign Commerce.

3560. Also, petition of Helena Cronauer, of 84 Horatio Street, New York City, and 50 additional voters of New York City and Brooklyn, calling upon Congress to defeat the Rayburn utility bill; to the Committee on Interstate and Foreign Commerce.

3561. Also, petition of Elsie Whitmore, 30 Riverleigh Place, Amityville, Long Island, N. Y., and 12 additional voters of that vicinity, urging Congress to defeat the Rayburn utility bill; to the Committee on Interstate and Foreign Commerce.

3562. Also, petition of R. E. Faganini, of 168 Coligin Avenue, New Rochelle, N. Y., and 10 additional residents, urging Congress to defeat the Rayburn utility bill; to the Committee on Interstate and Foreign Commerce.

3563. Also, petition of the board of directors of the Great American Insurance Co., of New York, protesting against the passage of the public-utility holding-company bill; to the Committee on Interstate and Foreign Commerce.

3564. By Mr. MERRITT of Connecticut: Petition of sundry citizens of Darien, Glenbrook, New Canaan, Norwalk, Old Greenwich, Riverside, Ridgefield, Rowayton, South Norwalk, and Stamford in the State of Connecticut, protesting against the passage of the public-utility bill (H. R. 5423 and S. 1725); to the Committee on Interstate and Foreign Commerce.

3565. Also, petition of sundry citizens of Bridgeport, Conn., protesting against the atrocities and mass executions in Soviet Russia, and urging that the United States sever relations with that Government; to the Committee on Foreign Affairs.

3566. By Mr. PFEIFER: Petition of the substitute committee, National Association of Letter Carriers, Branch No. 2,

Milwaukee, Wis., urging support of House bills 78 and 5063; to the Committee on the Post Office and Post Roads.

3567. Also, petition of Richard Meyer and nine others, all of Brooklyn, N. Y., concerning the Wheeler-Rayburn public-utility bill; to the Committee on Interstate and Foreign Commerce.

3568. Also, petition of the Chamber of Commerce of the State of New York, New York City, providing for the employment of existing contracting firms and corporations on Public Works Administration projects; to the Committee on Appropriations.

3569. Also, resolution of Illuminati, Brooklyn, N. Y., concerning section 55b of the Revenue Act of 1934; to the Committee on Ways and Means.

3570. Also, petition of the Great American Insurance Co., New York, concerning the public-utility holding-company bill of 1935; to the Committee on Interstate and Foreign Commerce.

3571. By Mrs. ROGERS of Massachusetts: Petition of the Senate and House of Representatives of the State of Massachusetts, memorializing Congress in favor of the immediate cash payment of the adjusted-service certificates of veterans of the World War; to the Committee on Ways and Means.

3572. By Mr. ROGERS of Oklahoma: Petition of Chester Maye and numerous other citizens of Atmore, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3573. Also, petition of Madison Jones and numerous other citizens of Eutaw, Ala., favoring House bill 2856 by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3574. Also, petition of J. A. Blard and numerous other citizens of Collinsville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions, of \$30 to \$50 a month; to the Committee on Ways and Means.

3575. Also, petition of H. L. Johnston and numerous other citizens of Gracey, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3576. Also, petition of Prof. M. C. Branch and numerous other citizens of Canton, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3577. Also, petition of Sam Webster and numerous other citizens of Swiftown, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3578. Also, petition of John Corbett and numerous other citizens of Friars Point, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3579. Also, petition of Dunbar Willian and numerous other citizens of Morgan City, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3580. Also, petition of A. B. Herron and numerous other citizens of Aberdeen, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3581. Also, petition of W. M. Johnson and numerous other citizens of Lambert, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3582. Also, petition of George Bery and numerous other citizens of Lexington, Miss., favoring House bill 2856, by



Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3583. Also, petition of C. L. Johnson and numerous other citizens of Williamsburg, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3584. Also, petition of S. H. Morris and numerous other citizens of Charleston, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3585. Also, petition of Wesley Brezill and numerous other citizens of St. Louis, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3586. Also, petition of I. V. Williams and numerous other citizens of McDade and Karan, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3587. Also, petition of Steave Fradeau and numerous other citizens of Cloutierville and Chopin, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3588. Also, petition of A. L. Bruley and numerous other citizens of Darrow, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3589. Also, petition of Willie White and numerous other citizens of Rayville and Sicily Island, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3590. Also, petition of Robert Lee Neal and numerous other citizens of Gibsland and Arcadia, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3591. Also, petition of J. M. Wade, Jr., and numerous other citizens of Rayville, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3592. Also, petition of William Chapman and numerous other citizens of Bethalto, Wood River, and East Alton, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3593. Also, petition of Clarence Smith and numerous other citizens of Sumner, Bridgeport, and West Salem, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3594. Also, petition of I. F. Williams and numerous other citizens of Lakeland, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3595. Also, petition of Tom Craig and numerous other citizens of Charlotte, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3596. Also, petition of Robert Jackson and numerous other citizens of Blanch and Milton, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3597. Also, petition of J. H. Dravzhon and numerous other citizens of Rocky Point, Currie, and Burgaw, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope

plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3598. Also, petition of Pat Slade and numerous other citizens of Reidsville, High Point, and Piedmont, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3599. Also, petition of E. E. Osborn and numerous other citizens of Drill, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3600. Also, petition of J. R. Jewell and numerous other citizens of Roanoke, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3601. Also, petition of Jesse O. Roberts and numerous other citizens of Schuler, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3602. Also, petition of Berry Johnson and numerous other citizens of Minden and Taylortown, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3603. Also, petition of Robert Jones and numerous other citizens of Benton, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3604. Also, petition of Rolly Fitch and numerous other citizens of Concord Depot, Lynchburg, and Rustburg, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3605. Also, petition of J. M. Piersall and numerous other citizens of Locust Grove, Okla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3606. Also, petition of William Harper and numerous other citizens of St. Louis, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3607. Also, petition of Rev. W. N. Cooper and numerous other citizens of Amory, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3608. Also, petition of S. J. Payne and numerous other citizens of Holcomb and Cascilla, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3609. Also, petition of William McGruder and numerous other citizens of Tribbetts, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3610. Also, petition of A. B. Saunders and numerous other citizens of Duck Hill, Grenada, and Elliott, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3611. Also, petition of J. B. Eubank and numerous other citizens of Bexley, Lucedale, and Merrill, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3612. Also, petition of W. B. Bolen and numerous other citizens of Ruleville, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal

old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3613. Also, petition of Joseph Brown and numerous other citizens of Merigold, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3614. Also, petition of B. T. Duffie and numerous other citizens of Saluda, Ward, and Leesville, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3615. Also, petition of J. L. Ferrell and numerous other citizens of Appalachia, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3616. Also, petition of T. Johnson and numerous other citizens of White Castle and Bayou Goula, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3617. Also, petition of George Brown and numerous other citizens of Wynne and Parkin, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3618. Also, petition of D. Nelson and numerous other citizens of Baltzer, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3619. Also, petition of Harold J. Berg and numerous other citizens of Harrington and White Castle, Del., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3620. Also, petition of John Gates and numerous other citizens of Caspiana and Grand Cane, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3621. Also, petition of Robert Fortier and numerous other citizens of New Orleans, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3622. Also, petition of John Scott and numerous other citizens of Delhi, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3623. Also, petition of John Davis and numerous other citizens of Benton, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3624. Also, petition of George J. Mallet, Sr., and numerous other citizens of Houma, Montegut, and New Orleans, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3625. Also, petition of Buck Dorsey and numerous other citizens of White Castle and Bayou Goula, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3626. Also, petition of William R. Golden and numerous other citizens of Rhinehart and Jena, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3627. Also, petition of Mack Rollins and numerous other citizens of Bon Air and Sparta, Tenn., favoring House bill

2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3628. Also, petition of W. S. Slaughter and numerous other citizens of Darlington and Westville, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3629. Also, petition of Daniel Hause and numerous other citizens of Kirby, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3630. Also, petition of F. Wagoner and numerous other citizens of Whitehead and Sparta, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3631. Also, petition of James Matthews and numerous other citizens of Arab, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3632. Also, petition of Rev. T. H. Wilson and numerous other citizens of Decatur, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3633. Also, petition of J. C. Stephenson and numerous other citizens of Little Rock, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3634. Also, petition of O. Carter and numerous other citizens of Postelle, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3635. Also, petition of Dan Armour and numerous other citizens of Marion and Crawfordville, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3636. Also, petition of J. W. Scott and numerous other citizens of Phenix, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3637. Also, petition of Arnold York and numerous other citizens of Grimsley, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3638. Also, petition of Charles Robinson and numerous other citizens of Mobile, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions \$30 to \$50 a month; to the Committee on Ways and Means.

3639. Also, petition of Alex Pennington and numerous other citizens of Nettleton, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pension of \$30 to \$50 a month; to the Committee on Ways and Means.

3640. Also, William Sharp and numerous other citizens of Norfolk, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3641. Also, petition of J. H. Barnett and numerous other citizens of South Pittsburg, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3642. Also, petition of J. D. Marlin and numerous citizens of Portland, Tenn., favoring House bill 2856, by Congressman



WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3643. Also, petition of James Motley and numerous other citizens of Memphis, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3644. Also, petition of J. J. Hoke and numerous other citizens of Fastrill and Rusk, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3645. Also, petition of John Hackett and numerous other citizens of Fulshear and Simonton, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3646. Also, petition of Rev. Allen New and numerous other citizens of Harwood and Loving, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3647. Also, petition of J. H. Bowman and numerous other citizens of Fastrill, Rusk, and Grapeland, Tex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3648. By Mr. SADOWSKI: Senate Concurrent Resolution No. 5, of the State of Michigan, asking that the old post-office site and building in Lansing, Mich., be deeded to the State of Michigan; to the Committee on Appropriations.

3649. Also, petition of the Detroit Fire Department, Post No. 1339, Veterans of Foreign Wars, asking that a Veterans' Administration general hospital be built in the Detroit area; to the Committee on Appropriations.

3650. Also, petition of the Slovak League of America, endorsing House bill 2827; to the Committee on Ways and Means.

3651. Also, petition of the St. Patrick's Holy Name Committee, asking that the Mexican Government be admonished and warned to refrain from further outrages; to the Committee on Foreign Affairs.

3652. Also, petition of Group No. 90 of the Polish National Alliance, asking that October 11 of each year be set aside as General Pulaski Memorial Day; to the Committee on the Judiciary.

3653. Also, petition of Corporal James W. Johnson Post, No. 78, of the Veterans of Foreign Wars of the United States, endorsing House bill 1; to the Committee on Ways and Means.

3654. Also, petition of the Unity Citizens Club of Detroit, Mich., endorsing House bill 2827; to the Committee on Ways and Means.

3655. Also, Senate Concurrent Resolution No. 2 of the State of Michigan, asking for the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

3656. Also, Senate Concurrent Resolution No. 6 of the State of Michigan, asking that the General Pulaski Memorial Day resolution now pending be enacted by Congress; to the Committee on the Judiciary.

3657. Also, Senate Resolution 28 of the State of Michigan, requesting the authorizing and appropriating of sufficient moneys to build a Veterans' Administration hospital; to the Committee on Appropriations.

3658. By Mr. SPENCE: Petition of the burley tobacco growers of Grant County, Ky., requesting the House Committee on Agriculture to support the Flannagan bill, which provides for the compulsory grading of burley tobacco; to the Committee on Agriculture.

3659. By Mr. STEFAN: Resolution adopted by the Nebraska House of Representatives, memorializing the Congress of the United States to pass the President's work-relief bill, as submitted, without further delay; to the Committee on Appropriations.

3660. By Mr. TRUAX: Petition of the Delano Lodge, Amalgamated Association of Iron, Steel, and Tin Workers, Mansfield, Ohio, by their president, Thomas Williams, urging support of Wagner labor bill without revisions, as in no instance have they been able to secure an election among employees to see who shall represent them even though the steel labor board has ordered them held; to the Committee on Labor.

3661. Also, petition of the National Association of Tobacco Distributors, executive offices, New York City, by their executive secretary, Joseph Kolodny, strongly urging the renewal or extension of the National Industrial Recovery Act, as they believe it is ideally adapted to promote the best interests of the industries of the United States, including labor as a constituent part of said industries; to the Committee on Labor.

3662. Also, petition of the Benedict Club, of Cleveland, Ohio, by their president, S. J. Perchman, and their secretary, Charles Basey, urging the Chairman of the Judiciary Committee, the Ohio delegation, to use all influence to secure the passage of the Costigan-Wagner antilynching bill, as this bill is a decisive step toward the termination of the lynching evil which has for many years humiliated the decent and law-abiding citizens of this country; to the Committee on the Judiciary.

3663. Also, petition of the Lakewood Association of Fire Fighters, Lakewood, Ohio, by their recording secretary, E. A. O'Neill, urging on behalf of organized labor the support of any legislation that will provide for the payment of the prevailing rate of wages to those who may be employed on any projects under the provisions of the bill now before Congress known as "House Joint Resolution 117"; to the Committee on Labor.

## SENATE

TUESDAY, MARCH 12, 1935

(Legislative day of Monday, Mar. 4, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, March 11, 1935, was dispensed with, and the Journal was approved.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

### PUBLIC UTILITY HOLDING COMPANIES (H. DOC. NO. 137)

Mr. ROBINSON. I suggest that the Chair lay before the Senate the message from the President, and then I will suggest the absence of a quorum.

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States.

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Harrison	Moore
Ashurst	Connally	Hastings	Murphy
Austin	Coolidge	Hatch	Murray
Bachman	Copeland	Hayden	Neely
Bailey	Costigan	Johnson	Norbeck
Bankhead	Couzens	Keyes	Norris
Barbour	Cutting	King	Nye
Barkley	Dickinson	La Follette	O'Mahoney
Bilbo	Dieterich	Lewis	Pittman
Black	Donahay	Logan	Pope
Bone	Duffy	Loneragan	Radcliffe
Borah	Fletcher	Long	Reynolds
Brown	Frazier	McAdoo	Robinson
Bulkeley	George	McCarran	Russell
Bulow	Gerry	McGill	Schall
Burke	Gibson	McKellar	Schwellenbach
Byrd	Glass	McNary	Sheppard
Byrnes	Gore	Maloney	Shipstead
Capper	Guffey	Metcalf	Smith
Carey	Hale	Minton	Stetwer